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No. 73

Present State of DPRK Economy, Foreign Trade



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4 April 1980

KOREAN AFFAIRS REPORT

No. 73

PRESENT STATE OF DPRK ECONOMY, FOREIGN TRADE

Tokyo KITA CHOSEN KEIZAI NO GENJO in Japanese Mar 79 pp 24-92,
97-115

[Excerpts from book published by the Japan External Trade
Organization (JETRO)]

[Text] I. Mining Industry

1. Coal

In the DPRK, following the policy of independent, nationalistic economic construction, consistent emphasis is being placed on efforts to increase coal production in order to utilize the abundant coal supply as the basic source of fuel and motive power which are essential to the country. As of 1963, coal deposits were estimated at 8 billion tons but owing to subsequent efforts placed on exploration and development, the estimated deposits are believed to exceed this figure.

A. Production

Production has increased yearly as shown below:

1960	10.41 million tons		
1961	11.7	"	"
1962	13.2	"	"
1964	14.4	"	"
1966	20.0	"	" (Estimate)
1970	27.5	"	"
1975	50.5	"	"
1984	70-80	"	"

(Goal of the Second 7-Year Plan)

B. Types of Coal

Of the above-mentioned estimated deposits, the ratio of anthracite to soft coal is about 2-to-1. Nearly 90 percent of the anthracite is coal dust while most of the soft coal is lignite and the deposit of bituminous coal is small.

C. Coal Fields (see Map 1)

Over 90 percent of the anthracite deposits are located all over South P'yongan Province on the west coast and over 90 percent of the lignite deposits are concentrated throughout North Hamgyong Province on the east coast.

(1) West Coast District

There are northern and southern coal fields of South P'yongan Province.

(a) Northern Coal Field

This field contains the largest anthracite deposit of the DPRK and the Sinch'ang, Tokch'on, Choyang, Hyongbong, Yongtung and Yongmun coal mines are located here.

(b) Southern Coal Field

This coal field is found throughout Kangdong County with Pyongyang City as the center and the Hukyong, Kangdong, Samsin and Kangso coal mines are located here.

(c) The Anju coal mine of South P'yongan Province and the Sariwon coal mine of North Hwanghae Province are the lignite producing areas of the western region.

(2) East Coast Area

There are northern and southern coal fields of North Hamgyong Province and the Kwon field which straddles South Hamgyong and Kangwon Provinces.

(a) Coal Fields of North Hamgyong Province

Contains 70 percent of the lignite deposits and coal mines such as Aoji, Kokonwon, Hamyon, Onsong, etc. are located here.

(b) Coal Fields of South Hamgyong Province

This is a lignite deposit area and the coal mines of Koch'am and Yongan are here.

(c) Kowon Coal Fields

In the anthracite coal field on the east coast, there are the Kowon and Chonnae coal mines.

(3) Other Areas

In addition to above, there is the Tongchon coal mine (lignite) of Kangwon Province and the Hyesan coal mine (anthracite) of Yanggang Province.

D. Progress of the 6-Year Plan and the Tasks of the Second 7-Year Plan

It was announced that coal production capacity reached 50 million tons in late August 1975, upon the 16-month accelerated completion of the 6-Year Plan (1971-1975), with the new development of the Toksong, Soch'ang, and Kumya Chongnyon [youth] coal mines and the beginning of operations of many new shafts, including the vertical shafts of Anju consolidated coal mines, Aoji and Kokonwon coal mines.

In the Second 7-Year Plan, the goal is to increase production to 70 to 80 million tons before 1984 by overcoming labor shortage through enlarging and automating coal extraction facilities.

E. Problems in DPRK Coal Production

As described above, coal production in the DPRK is increasing comparatively smoothly but the problem is lack of coking coal deposits. In modern steel refining processes, preparation of the iron ore and production of good quality coke are required and as the raw material for coke, coking coal is indispensable. In our country [Japan], to produce 1 ton of crude steel, 0.73 ton of raw material coal (0.42 ton of coke) is required. Since the DPRK aims to produce from 6.4 million to 7 million tons of crude steel in its Second 7-Year Plan, it can be calculated that approximately 5.11 million tons of raw material coal will be needed. For this reason, the Second 7-Year Plan calls for use of domestic fuel in steel refining and conservation of coke consumption through increase in distribution ratio of domestic fuel for coke production, increase on a large scale crude steel production capacity and make wider use of reduced globular ores in steel production. It is estimated that heretofore, the DPRK annually imported about 2.5 million tons of raw material coal and coke from the USSR, the PRC and Poland. Assuming that raw material coal costs 60 dollars per ton, and with increased production 5 million tons of raw material coal must be imported, the DPRK will need about 300 million dollars annually in foreign currency. For the DPRK which is suffering from shortage of foreign currency, this will be quite a burden. Therefore, for increased steel production in the future, the procurement of raw material coal will become a problem. Use of reduced globular ores or domestic fuel (anthracite or electricity) in steel production is not economical because large-quantity production is not possible as compared with large blast furnace steel-making. This factor poses another problem.

2. Iron Ore

One of the elements which supports the development of steel industry in the DPRK is the abundant supply of iron ore.

A. Production

In 1960 (the year before the start of the extended 7-Year Plan), production of iron ore was 3.1 million tons, and in the First 7-Year Plan, the aim was to increase production 2.3 times to 7.2 million tons. In the 6-Year Plan starting in 1971, it was decided to increase total production 1.8 times. If the actual production in 1970 reached the goal of 7.2 million tons, the production goal of the final year of the 6-Year Plan should be about 13 million tons. In the Second 7-Year Plan (1978-1984), the production goal of 16 million tons was set.

B. Types and Production Sites of Iron Ores [see Map 1]

Iron ore deposits are widely scattered in the DPRK but the main producing areas are North Hamgyong Province, South Hwanghae Province, South P'yongan Province and Kangwon Province. A representative mine is Musan with an estimated deposit of 1.3 billion tons. The Musan iron ore is magnetite and segregation is said to be easy because the ore granules are large. The ores are processed at the ore dressing plant and ore of 40 percent iron content is increased to 59 to 60 percent.

In 1937, when Mitsubishi Mining Co., Ltd. was in operation, 1 million tons of ore concentrates were produced but during the 6-Year Plan, annual production increased to 6.5 million tons and in the Second 7-Year Plan, there are designs to develop a modern mine with an annual production capacity of 10 million tons. The Musan iron ore is supplied to the Kim Ch'aek Iron and Steel Refinery Complex.

To meet the iron ore demand of the Hwanghae Steel Refinery Complex on the west coast under the 6-Year Plan, it has been reported that expansion work at the iron ore mines of Tokhyon (annual production of 750,000 tons of ore concentrates) and Songam has progressed and production has increased. It has also been reported that under the 6-Year Plan, development of the T'aet'an iron ore mine (South Hwanghae Province) was newly begun. A noteworthy item is that in May 1972, when the national delegation of reformist mayors of Japan visited the DPRK, President Kim Il-song stated that "In the western and northern, inland regions, iron ore fields with several billion tons of deposits were newly discovered."

Under the Second 7-Year Plan, expansion of the above-mentioned Musan mine and construction of the Toksong and Sohaeri mines, which are underway, are expected to be completed and the aim is to increase the total production of iron ores to 16 million tons by 1984.

3. Non-ferrous Metals

Under the Second 7-Year Plan, a production goal of 1 million tons has been set for non-ferrous metals. In the DPRK, deposits of various types of non-ferrous metals are abundant and efforts are being made to develop the non-ferrous metals industry.

A. Types and Production Sites [see Maps 2, 3 & 4]

(1) Gold Mines

From before, northern Korea has been famous as a gold-producing area and according to 1939 source materials, production of pure gold had been 31 tons. Gold ore is deposited in various places but the largest deposit is in the Unsan region in North P'yongan Province, and there are widely-scattered deposits in North Hwanghae, South P'yongan and Kangwon Provinces.

(2) Silver Mines

Since silver is found in gold and silver mines, as well as in other multi-metal mines containing iron ore, its production will increase yearly as natural resources are tapped.

(3) Copper Mines

Copper is produced in large quantities at the Kapsan mine in Yanggang Province, Huch'ang mine in Chagang Province and Tanch'on mine in South Hamgyong Province. Large copper deposits are contained in the multi-metals ore fields in South P'yongan and North Hwanghae Provinces.

(4) Lead and Zinc Mines

Lead and zinc ores are found at the Kordok mine in South Hamgyong Province, Kyesong mine in Chagang Province and Ungch'ang mine in South P'yongan Province. Deposits are found in various other places.

(5) There are other mineral resources with a variety of products including tungsten, molybdenum, cobalt, nickel, manganese, chrome, etc.

(6) Magnesite

As far as light metal ores are concerned, it is estimated that the magnesite deposit at the Tanch'on mine in South Hamgyong Province amounts to 3.6 billion tons and is said to be the world's largest magnesite mine.

B. Production and Non-Ferrous Metals Refineries

As a result of the 6-Year Plan (1971-1976), it has been reported that "The Kordok mine has been expanded to a large mine equipped with modern technology, the development of mines has been carried on aggressively in Yanggang and Chagang Provinces and other promising new areas, and the production of various types of non-ferrous metal products has rapidly increased." The Kordok mine

has been equipped with long-distance belt conveyor line and the railway electrification project between Komdok and Tanch'on has been completed. These developments can be viewed as measures to overcome the transportation problem expected to arise with increased production at the Komdok mine. Under the Second 7-Year Plan, emphasis will be continued to be laid on the Komdok mine with abundant deposits and plans are being drawn to enlarge production capabilities.

Following are the main refineries which will process the mineral products:

- (1) Namp'o Refinery -- Production of electrolytic copper, zinc, gold, silver and yellow acidic copper.
- (2) Hungnam Refinery -- Production of electrolytic copper (30,000 tons per year), lead (55,000 tons per year), zinc (80,000 tons per year) and precious metals.
- (3) Munp'yong Refinery--Production of zinc (70,000 tons per year) and sulphur.
- (4) Haeju Refinery -- Production of copper.
- (5) Tanch'on Refinery -- Anticipated production of copper and magnesia clinkers (reportedly under construction).

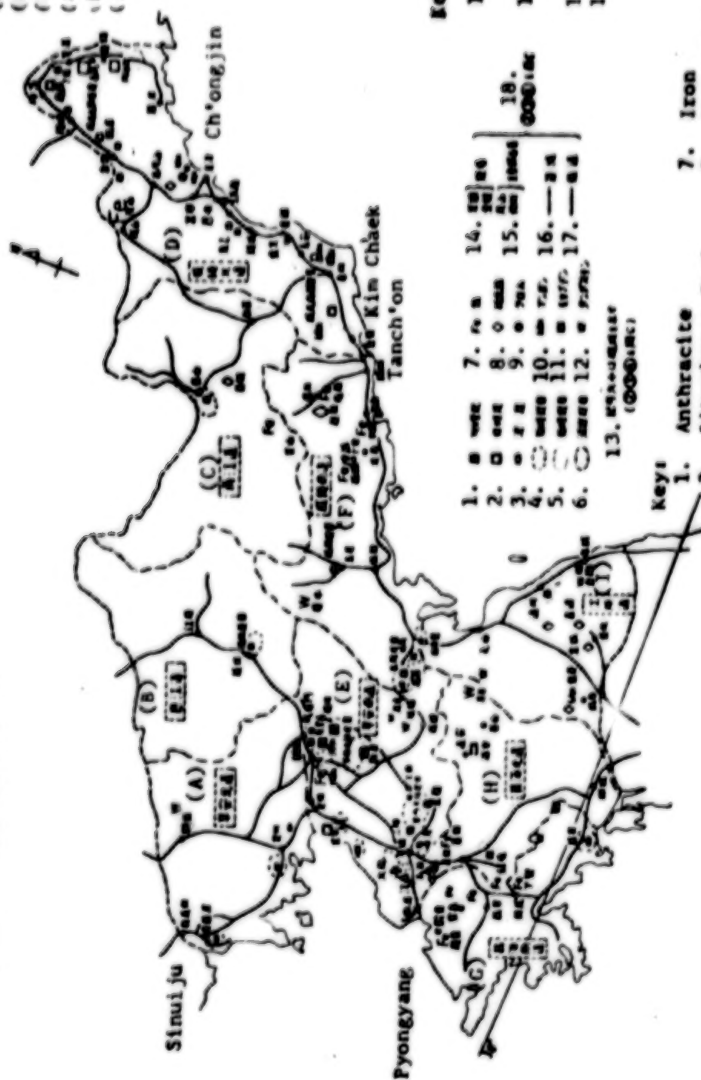
Furthermore, in the Tanch'on area, there are many magnesite mines like the Yongyang mine. Presently in Tanch'on, construction of a revolving calcinating furnace imported from the FRG to produce magnesia clinkers is being hastened. President Kim Il-song, who visited the Tanch'on magnesium plant site in June 1978, directed that the construction be rushed and that production capacity be increased by several times in the future. Magnesia clinkers, the quality of which should be heightened by the calcinating furnace to be newly installed, should greatly assist in garnering foreign currencies and might become a threat to the ocean water magnesia clinkers of Japan.

4. Export of Mineral Products

Since customs clearance statistics are not announced, the overall picture of the DPRK exports cannot be grasped but the main export-import items to the USSR and free countries are as shown in Table 1. Principal export items to the USSR are magnesia clinkers, lead and other non-ferrous metals and barite, while main export items to free countries are zinc, lead, silver and other non-ferrous metals, magnesia clinkers, mineral products such as iron ore and items manufactured from them.

For the DPRK which is having difficulty with foreign currency balance, increasing exports is an urgent problem. As President Kim Il-sung stated in his "New Year's Message" in 1979, if earnest efforts are made to increase exports through improvement of product quality, deliverance of goods on schedule, etc., as the international market of non-ferrous metals recovers, the export of mineral products, mainly lead, zinc and magnesia clinkers, should greatly contribute to the acquisition of foreign currencies.

MAP 1. NATURAL RESOURCES MAP OF DPRK
(Coal -- Ferrous Metals)



Keys:

- (A) North P'yongan Province
- (B) Chagang Province
- (C) Yanggang Province
- (D) North Hamgyong Province
- (E) South P'yongan Province
- (F) South Hamgyong Province
- (G) South Hwanghae Province
- (H) North Hwanghae Province
- (I) Kangwon Province

Keys:

- 14. Pyongyang place
- 15. Kim Ch'ok names
- 16. Huan names
- 17. Tanch'on mines
- 18. Same with Maps 2, 3, 4
- 19. Province boundaries
- 20. Railroad lines

- 1. Iron
- 2. Anthracite
- 3. Bituminous Coal
- 4. Peat Coal
- 5. Anthracite Field
- 6. Bituminous Field
- 7. Peat Field
- 8. Iron
- 9. Magnetite
- 10. Chromite
- 11. Manganese
- 12. Molybdenum
- 13. Tungsten
- 14. Size of symbols denotes size of deposits/fields (same with Maps 2, 3 & 4)

Keys:

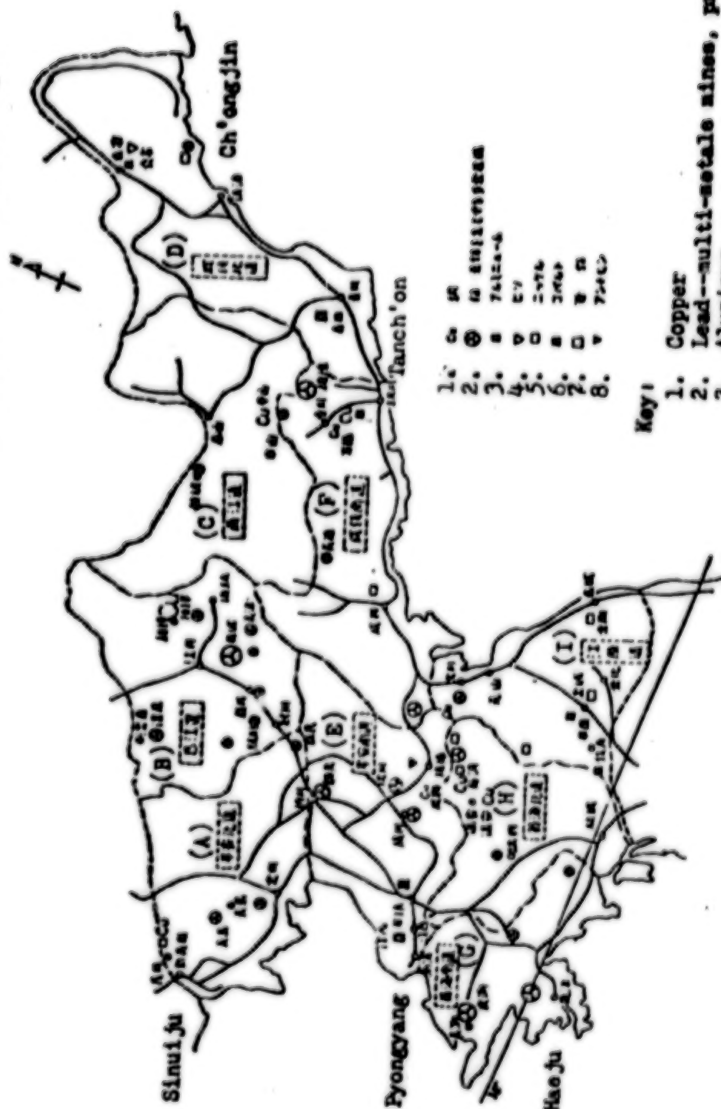
- 1. Anthracite
- 2. Bituminous Coal
- 3. Peat Coal
- 4. Anthracite Field
- 5. Bituminous Field
- 6. Peat Field
- 7. Iron
- 8. Magnetite
- 9. Chromite
- 10. Manganese
- 11. Molybdenum
- 12. Tungsten
- 13. Size of symbols denotes size of deposits/fields (same with Maps 2, 3 & 4)

MAP 2. NATURAL RESOURCES MAP OF DPRK
(Non-ferrous Metals)

Key:

(A) through (I)

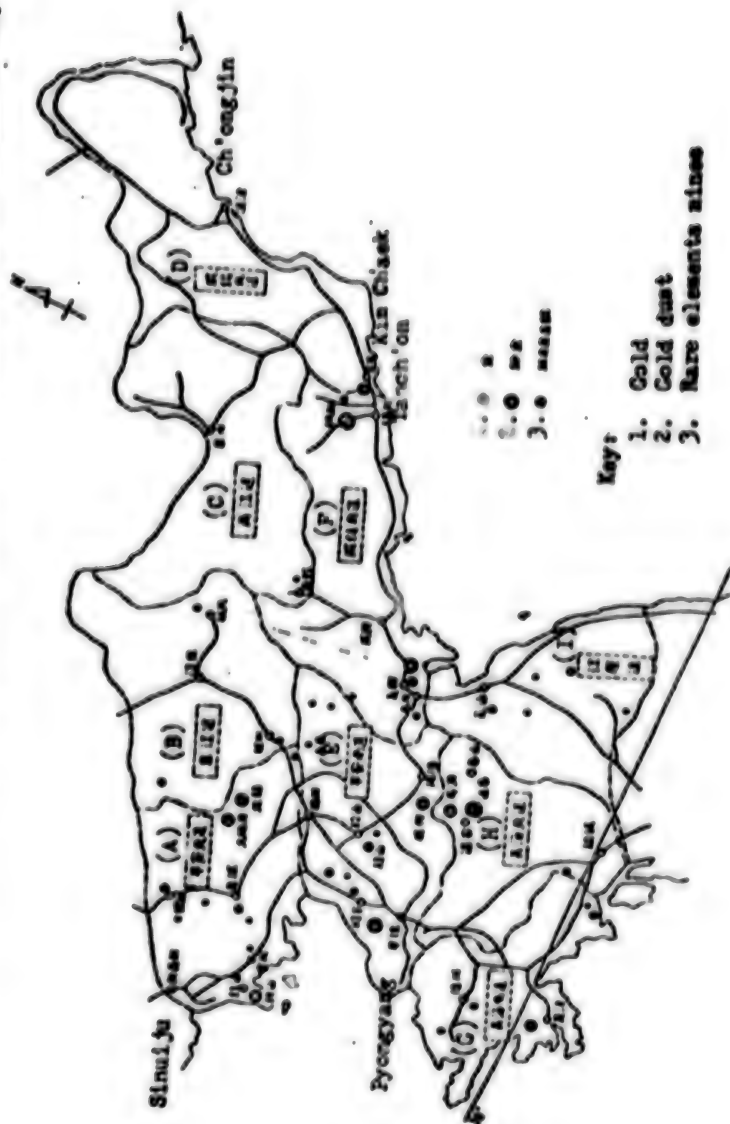
Names of Provinces same as Map 1



Key:

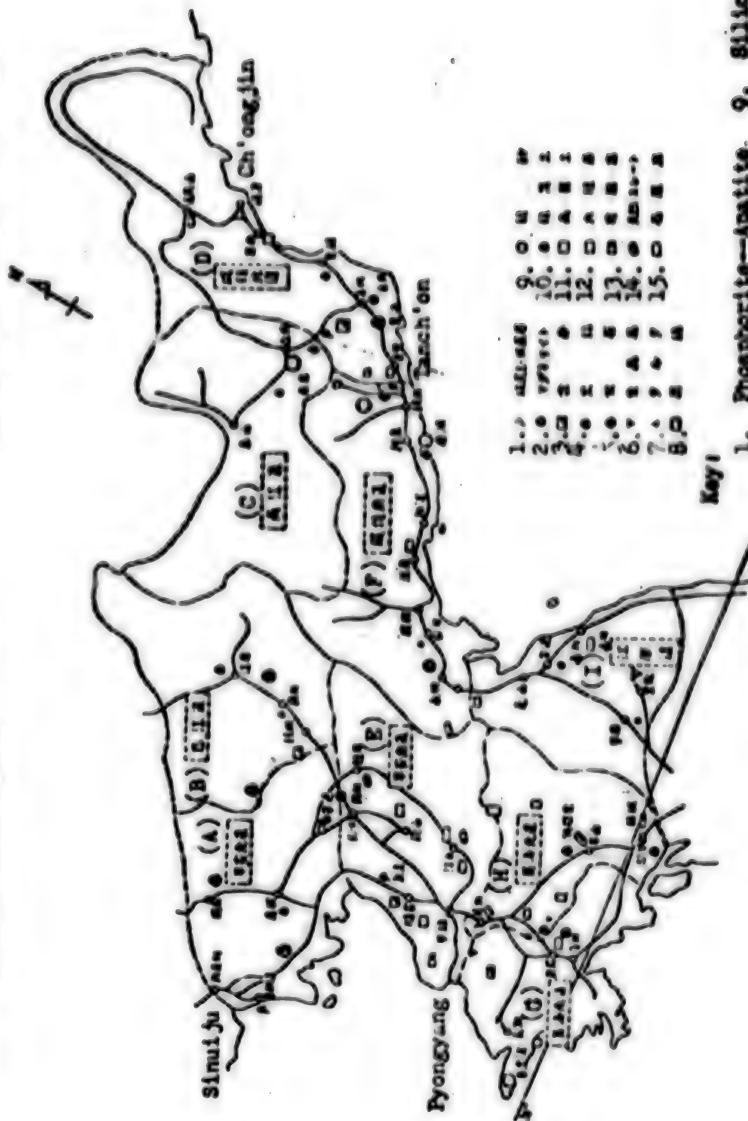
1. Copper
2. Lead--multi-metallic mines, principally zinc
3. Aluminum
4. Arsenic
5. Nickel
6. Cobalt
7. Bismuth
8. Antimony

MAP 3. NATURAL RESOURCES MAP OF DPRK
 (Gold Mines--Rare Elements Mines)
 Key: (A) through (I)
 Names of Provinces same as Map 1



MAP 4. NATURAL RESOURCES MAP OF DPRK
(Non-Metallic Mines)

Key:
(A) through (I)
Names of Provinces same as Map 1



1. Silica sand	9. Diatomite	17. Silica sand
2. Magnesite	10. Kaolinite	18. Diatomite
3. Mica	11. Marble	19. Kaolinite
4. Graphite	12. Granite	20. Marble
5. Fluorite	13. Natural slate	21. Granite
6. Barite	14. Limestone	22. Natural slate
7. Talc	15. Limestone	23. Limestone
8. Asbestos	16. Limestone	24. Limestone

Key:

- | | |
|------------------------|-------------------|
| 1. Phosphorite-Apatite | 9. Silica sand |
| 2. Magnesite | 10. Diatomite |
| 3. Mica | 11. Kaolinite |
| 4. Graphite | 12. Marble |
| 5. Fluorite | 13. Granite |
| 6. Barite | 14. Natural slate |
| 7. Talc | 15. Limestone |
| 8. Asbestos | |

II. Machinery Industry

I. 6-Year Plan (1971-1976) Progress Report

Under the 6-Year Plan, the main task levied on machinery industry was the acceleration of the technological revolution and the goal was to increase production 2.7 times during the period. The progress report given by Premier Yi Chong-ok in the Supreme People's Assembly in December 1978 was as follows:

A. Machine Tools

Within a period of over a year, after the plan started, the goal of 30,000 units was reached.

B. Tractors

Through the construction of the large-scale Kumsong Tractor Plant, the production capacity of over 30,000 tractors was attained.

C. Automobiles

Through the expansion of the Sungni Automobile Combined Plant, production capability was increased.

D. Digging and Construction Machinery

5,000-meter boring machines, 300-hp bulldozers and 10-cubic-meter excavators were produced.

E. Electric Power Equipment

50,000-kva generators and 20,000-kva transformers were produced.

F. Large Machine Tools

20-meter lathes and 18-meter turning lathes were manufactured.

G. Railway Transport Equipment

60-ton freight cars and 2,500-hp and 3,000-hp locomotives were produced.

H. Ships

During the period of the plan, production increased 4-fold and 15,000- to 20,000-ton ships were manufactured.

I. Plant Facilities

Metallurgical, cement, chemical and light industry plant facilities were produced.

J. Automation Facilities

Electrical and automation equipment plants were built in various places to accelerate automation.

2. Second 7-Year Plan (1978-1984)--Tasks and Goals of Machinery Industry

A. Tasks

Since the machinery industry is the heart of the industrial system and it advances technological revolution and modernizes the people's economy, a new breakthrough is needed in the machinery industry. During the scheduled period, plans are to increase the output of machinery-processed products to 5 million tons a year.

B. Concrete Goals

(1) Machine Tools

Increase production to 50,000 units by 1984 and again increase the production of large machine tools, specialized machine tools and automated and semi-automated machine tools.

(2) Electric Power Generators

Produce large hydraulic and thermal turbines and generators and 220-ton boilers.

(3) Automobiles

Manufacture "Chanju" model and "Konsol" model and other heavy freight-transporting trucks.

(4) Digging and Construction Machinery

Produce 300-hp bulldozers, 4-cubic-meter excavators and excavation accelerating machineries.

(5) Tractors

Increase production to 45,000 tractors annually.

(6) Automation Equipment

Develop electronics and automation industries. Increase production and improve quality of electronic tubes, semi-conductor elements, integrated circuits and other automation equipment.

(7) Ships

Build various types of fishing vessels, crane ships, etc., which require marine engineering in construction, such as 20,000-ton, 50,000-ton and 100,000-ton freighters, 20,000-ton factory mother ships, 5,000-ton refrigerated transport ships, 3,750-ton trawlers, etc.

Moreover, of the above-mentioned plans, specific proposals are to increase production, before 1984, of 300-hp bulldozers by 6-fold, 4-cubic-meter excavators by 3.3-fold, excavation accelerating machines by 6.3 fold, heavy trucks "Chanju" model by 5-fold and "Konsol" model by 6-fold. It is also proposed that the quality of machinery products be raised to "world standards" as rapidly as possible.

3. Problem Areas in Machinery Industry

In the 6-Year Plan and the Second 7-Year Plan, only the production of machine tools and tractors has shown concrete results. The production of precision machinery, such as automation and electronics equipment, is a problem. As for electric power generators, the production of only small 50,000-kva models was finally accomplished during the 6-Year Plan. In the shipbuilding industry, only 15,000- to 20,000-ton class ships could be built. In other areas also, the machinery industry lags far behind world standards. It has been reported, however, that the "Kumsong Tractor Plant" was constructed through domestic design and technology and contributed greatly to increased tractor production. This can be considered as a great accomplishment for the DPRK.

As part of the 6-Year Plan, the DPRK imported different types of plants and machinery from Japan and various European countries and although these imports created huge amounts of financial liabilities, acquisition of these plant facilities is believed to have increased industrial production 2.5-fold as compared with 1970. Under the Second 7-Year Plan, however, because of the large debts (overseas liabilities are estimated to be over 2 billion dollars), imports of facilities and machinery must be restricted for the present. Therefore, to carry out a policy of self-reliance in all economic spheres and to attain the goal of increasing industrial production 2.2-fold by depending solely on domestic resources and technology can be expected to be a difficult task.

The modernization of and application of scientific techniques to various economic spheres are given heavier priorities, than heretofore, in the Second 7-Year Plan. For the DPRK, which has a labor shortage, industrial modernization and scientific applications are indispensable in increasing production quantitatively and also necessary in improving industrial products qualitatively. There are limitations to imports of advanced technologies from overseas, and various problems confront the task of independently advancing modernization and scientific applications.

4. Machinery Exports

Of the machineries produced in the DPRK, machine tools are being exported. As shown in Table 1, to the USSR in 1975, machineries worth 12.28 million

rubles were exported of which machine tools accounted for 9.06 million rubles. The DPRK exports to socialistic and mid-eastern countries, including USSR, PRC, Vietnam, Cuba, Syria, Egypt, Algeria, Iran, etc. Of the machine tools, lathes are the main items but they also include boring machines, grinders, shapers, gear cutters, etc. The DPRK machine industry is basically geared to meet the increasing domestic demand, and for the foreseeable future, exports will be restricted to machine tools which are being produced in quantity.

III. Textile Industry

I. 6-Year Plan Progress Report

It has been reported that, under the 6-Year Plan, the production base of synthetic fiber, which is the raw material for textiles, has been strengthened and production capacity of vinylon has been increased to 50,000 tons and the production of rayon and artificial silk yarn has also been greatly increased. As for textiles, the "September Textile Plant" and "Sariwon Textile Plant" have been newly constructed and synthetic fiber textile facilities of "Pyongyang Union Textile Plant" have been expanded, and production capacity has reached 600 million meters. In addition, it has been reported that various types of knitting facilities have been expanded, and that the capability has been attained to produce 15 million sets of knitwear, that knitwear production capacity for sweaters and jackets has increased 6-fold, for underwear, 1.6-fold and socks and stockings, 1.8-fold, and that many clothing plants have been newly constructed, expanded or further modernized. The production of cocoons has increased 2.2-fold.

The synthetic textiles raw materials are produced at the following plants in the DPRK:

A. 5 February Vinalon Complex (located in Hamhung)

Completed in 1961 and according to the above-mentioned report, attained the production capacity of 50,000 tons of vinalon per year in 1976. The vinylon textile is the same as that of Japan and is said to have been made under the guidance of Dr. Yi Sung-ki, graduate of Kyoto University. Technologies, such as continuous polymerization, were imported from Japan, but other techniques were developed in the DPRK.

B. Ch'ongjin Synthetic Fiber Plant

Formerly the Dai-Nippon Ch'ongjin Textile Plant and has a continuous production process to make artificial silk yarn from wood pulp.

C. Sinuiju Synthetic Textile Plant

Started operating in 1964. Produces rayon cloth from stems of reeds which grow abundantly on the shores and shoals of the Yalu river.

Of the synthetic fiber produced at the above-listed plants, a portion is spun and woven into yarn cloth in the textile divisions of the above plants but the rest are sent to the centrally controlled plants (it is estimated that there are 10-odd plants throughout the country) equipped with yarn and textile producing facilities, and to the many medium and small plants scattered in outlying regions, where the synthetic fiber is spun into yarn and woven into textiles. The center of textile production is the Pyongyang Union Textile Plant which has spinning, knitting and dyeing sections. In Pyongyang vicinity, there are many medium and small textile mills and it is estimated that nearly half of the yarn cloth produced in the country is concentrated in this area. Next in order is the Sinuiju Textile Plant (adjoining the afore-mentioned Sinuiju Synthetic Fiber Plant), followed by Kusong Textile Plant, Kaesong Textile Plant, etc.

Cotton-raising had been centered, heretofore, in P'yongan Province but owing to increased production of synthetic fibers such as vinalon and the policy of reducing cotton farms for foodstuff cultivation, cotton production is thought to have decreased. Raw cotton is imported, mainly from the USSR and partly from Egypt and various African countries, and cotton thread is imported from Pakistan and elsewhere. The domestic and imported raw cotton and threads are made into textiles at the above-mentioned textile plants.

As for silk spinning, the fiber is made principally at the centrally controlled plants such as Pyongyang Silk-reeling Mill (said to have silkworm production capacity of 4,000 tons per year) and the Hamhung Spinning Mill. In the textiles sector, the Pyongyang Silk Textile Plant plays a big role but production is actively carried out in various places such as the traditional cocoon culture centers of Nyonpyon, Anju, etc. of the Ch'ongchongang river basin area and Yonghung, Hamhung, etc. of Yonghunggang region on the east coast.

Hemp production is carried out in Yanggang and North Hamgyong Provinces and as for hemp mills, there is the Hyesan Hemp Mill, which is a combined plant for spinning and weaving, and there are the Chuul, Pukch'ong and P'ungsan processing plants.

For woolen textile production, the Sinuiju Woolen Textile Plant has the largest facilities and reportedly, there are plans (decided at the 1976 Supreme People's Assembly) to expand the Hamhung Woolen Textile Plant. Since sheep wool production is negligible in the DPRK, it is believed that nearly all of the raw wool are imported.

2. Goals and Tasks for the Second 7-Year Plan

In the textile field, present spinning facilities will be modernized and production processes accelerated, and new [anylon] (nylon) spinning mills will be constructed and the total textile production goal for 1984 will be 800 million meters.

Existing knitwear plant facilities will be augmented and during the 7-Year Plan, knitwear production will be increased 1.7-fold. Particularly, with the

anylon fiber to be made in our country, production of various types of winter knitwear will be rapidly increased. Clothing plants will be modernized and manufacture of various types of clothing will be increased.

According to last year's DPRK announcements, women's and children's clothing plants were built in nearly all cities and counties in 1972, knitting plants in various provinces and clothing plants in various cities and counties in 1973. In 1976, knitted products reached 15 million sets per year, and the outlook is to increase production to 1.7-fold to 25.5 million sets in 1984 when the 7-Year Plan is completed. Considering that the textile production capacity totaled 600 million meters in 1976, the textile industry in the DPRK can be said to be developing smoothly. Moreover, it is noteworthy that in the 7-Year Plan, it has been claimed that "it should become possible for everyone to wear clothes that fit and suit oneself," indicating that the clothing situation is improving to the point where it can satisfy the varied tastes of the people.

3. Problem Areas in the Textile Industry

Of the fiber raw materials in the DPRK, hemp and cocoons are domestically supplied and furthermore, cocoons and silk threads are exported. Other raw materials, however, like wool and cotton must be imported. The DPRK is possibly planning to reduce cotton and wool imports by increasing the production of synthetic fibers such as vinylon. There are plans in the 7-Year Plan to build new nylon spinning mills and to increase production by 200 million meters but to reach the goal of 800 million meters, an abundant supply of synthetic fiber raw materials is needed. In the present situation where even construction of petro-chemical plants is stalemated because of the financial debt problem, it is questionable whether nylon spinning mills can be newly built and contribute to increased production. For the DPRK, which is short in the production of natural fiber raw materials, these are problem areas in textile production.

As for export items, it should be noted that silk fiber for silk-reeling, raw silk, etc. are the DPRK's leading export items to the Free World; they are being exported continuously to Japan. Between January and December 1978, 1,321,030,000 yen worth of silk and related raw materials were exported to Japan.

It should also be noted that to the USSR, clothing valued at 7 million rubles and towels at 1.5 million rubles are being exported annually.

The textile industry in the DPRK was intended from before to satisfy domestic demands, and exports have been relatively small. As for raw silk items, however, the DPRK has been one of the main producing countries in the world, and with increased domestic production, exports are expected to increase. The export of other textiles, however, are believed to be difficult unless the DPRK can overcome the technological lag in dyeing and other processing work. Even with ready-made clothing wear, because of labor shortage, exports to some socialist countries might be possible but any noticeable advancement cannot be expected.

Table 1. Main Export-Import Items of DPRK

(Imports)

To USSR	1975	Unit: 10,000 rubles
1. Machinery facilities	7,560	(41%)
Steel facilities	1,465	(8%)
Aircraft materials	728	(4%)
Instruments--Experimental facilities	369	
Electrical technique manufacture and Motive power facilities	323	
and Motive power facilities	168	
2. Oil, oil products	2,662	(14%)
3. Wheat	1,479	1.11 million tons
4. Coke	416	(8%)
5. Cotton	410	2.12 million tons
6. Home electrical appliances (clocks, TV, refrigerators, etc.)	327	
7. Coal	317	
8. Automobile tires	206	
To Non-Communist Countries	1971-1973	Unit: 10,000 dollars
1. Machinery facilities	2,900-6,300	(22-47%)
General machinery	2,000-4,000	
Electrical machinery	700-1,200	
Transport machinery	100-1,100	
2. Grain (wheat, wheat flour)	800-9,400	(12-32%)
3. Chemical products (synthetic plastics, organic compounds, agricultural chemicals, etc.)	700-2,200	(8-12%)
4. Fibers, textiles	400-2,000	(6-15%)
5. Steel	100-4,200	(2-14%)
6. Oil seeds (soy beans, etc.)	400- 600	(2- 3%)
7. Paper, paperboard	200- 500	(2- 3%)
8. Fiber for textiles (cotton, etc.)	200- 400	(1- 4%)
9. Optical, medical and precision equipment	100- 500	(2%)
10. Other metallic products	100- 800	(1- 3%)
11. Animal and plant oil (soy bean oil, etc.)	300	(1%)

Table 1. (Continued)

(Exports)

To USSR	1975	Unit: 10,000 rubles
1. Steel materials	4,121	(27%)
2. Magnesia clinkers	1,901	(13%)
		370,000 tons
3. Rice	1,583	(11%)
		1,240,000 tons
4. Machinery facilities	1,228	(8%)
Machine tools	906	
5. Clothing	1,087	(7%)
6. Cement	652	500,000 tons
7. Fresh fruit(apples, etc.)	396	
8. Non-ferrous metals	378	
9. Lead, steel	263	
10. Leaf tobacco	255	
11. Chemical products	250	
12. Barite	246	
13. Potteryware	232	
14. Sports shoes	223	

To Non-Communist Countries	1971-1973	Unit: 10,000 dollars
1. Non-ferrous metals(lead, zinc, silver, etc.)	2,500-6,800	(34-51%)
2. Raw silk	700-1,400	(10-13%)
3. Foodstuff(fish, clams, etc.)	600-1,100	(8-11%)
4. Fire-resistant materials (magnesia clinkers, etc.)	500- 800	(3-11%)
5. Steel(pig iron, iron and steel, primary products)	700-1,200	(8-9%)
6. Iron ore	500- 600	(5-7%)

Notes: 1. Percentages in parantheses denote ratio.

2. Amounts for non-communist countries are small because they represent figures for 1971-1973.

Sources: UN trade statistics and USSR trade statistics. (April 1977, JETRO "Industry and Trade of the DPRK").

IV. Fishing Industry of DPRK

Discussion of the fishing industry of the DPRK is limited to estimates and assumptions because of extremely scanty source materials.

Among commentaries published heretofore on DPRK fishing industry is the January 1975 issue of the JAPAN-KOREA TRADE journal published by the Japan-Korea Trade Association. Since details are printed in that journal, this report will take up the fishing industry situation since then and the recent trade situation.

1. Production

As its basis for nation-building, the DPRK has listed 10 large-scale economic construction goals, and the fishing industry is one of them. The ultimate goal is an annual production of 5 million tons.

To attain this final goal, in the 6-Year Plan of 1971-1976, the immediate goal of 1.6 to 1.8 million tons was set and it was announced that this goal was reached in 1975 ahead of schedule.

At the first session of the Sixth Supreme People's Assembly of the DPRK, held in Pyongyang from 15 to 17 December 1977, the State Administration Council Premier Yi Chong-ok made the following report: "During implementation of the 6-Year Plan, great results were obtained, even in the development of the fishing industry. The goal of 1.6 million tons of marine products was attained a year and seven months ahead of schedule, and a strong base was laid to upgrade the fishing industry to new and higher levels.

"Following the policies directed by the great leaders to build large, modern and multi-purpose fishing vessels during the 6-Year Plan, 3,750-ton stern trawlers, 5,000-ton refrigeration ships and other large fishing vessels greatly augmented the fleet, and through the import of various types of modern, scientific and technological equipment, fishing activities were able to be carried on in a much more scientific manner.

"During the 6-Year Plan, Sinp'o and Kim Ch'aek ports were remodeled and expanded, fishery stations in the Yanghwa and Hongwon areas were built into bases for deep-sea fishing, and the main fishing grounds off the west coast were newly built into fishery production centers." (1 March 1978 extra issue of JAPAN-KOREA TRADE journal.) Based on the 6-Year Plan discussed above, laws pertaining to the Second 7-Year Plan (1978-1984) were adopted at the same Supreme People's Assembly and the following policies concern the fishing industry.

"Rapid development of the fishing industry is an essential task which must be carried out in order to raise the level of people's livelihood. In 1984, marine products should total 3.5 million tons, of which the fish catch should be 2.7 million tons.

The east coast fishing industry should properly combine deep-sea and coastal fishing while the west coast fishing industry should aggressively expand medium and small fishing industries of coastal waters and increase the quantity and types of catches.

While increasing its number, fishing vessels should be modernized and made to serve multi-purposes and fishing gear must be noticeably increased. Shallow waters and natural lakes, reservoirs, reclaimed areas, rivers and streams should be utilized and aquaculture be developed on a large scale.

In conjunction with the increased fish catch, on-site refrigeration plants should be enlarged and fish processing plants modernized even more. There should be increases of refrigerated fishes by 1.8-fold, canned fish by 3.1-fold, dried fish by 1.9-fold and salted fish by 2.1-fold." (Posted bulletin)

Shortly before the above-mentioned Supreme People's Assembly, on 15 October 1978 [1977], in Hamhung, the "Expanded Meeting of the Political Committee of the Korean Workers' Party Central Committee, which was personally sponsored by President Kim Il-song, was held and the setup of the leadership and reorganization of the Fisheries Department were decided.

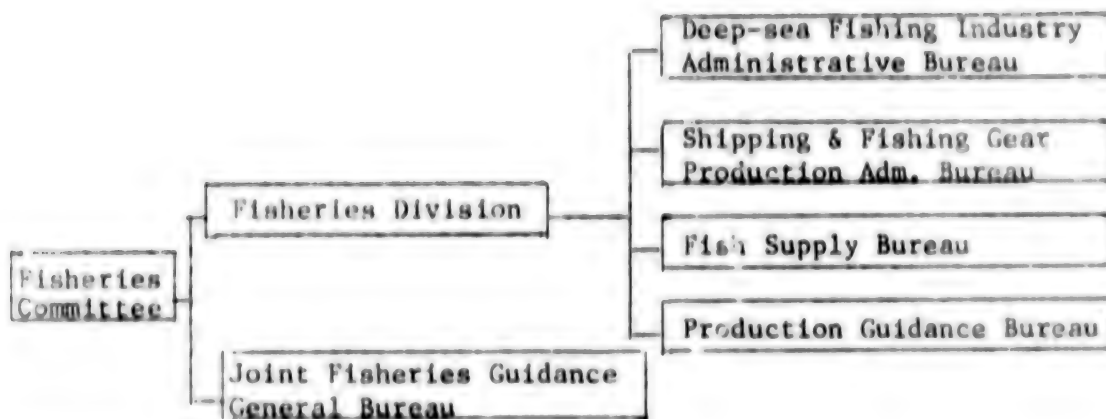
Developments leading up to the reorganization include the following: completion of the 1971-1976 6-Year Plan in 1975, a year ahead of schedule; construction of the 5,000-ton class, 10,000-ton class, 15,000-ton class and 20,000-ton class large trawler ships; construction of over 10,000-ton capacity freezers at over 10 main fishing ports; remodelling of Sinp'o and Kim Ch'aek ports and completion of deep-sea fishing bases in Yanghwa and Hongwon districts.

President Kim visited Sohae and Kangwon in the fall of 1976 and gave special guidance to the fisheries department. In his guidance speech on the east coast in November, President Kim stated, "Deep-sea fishing is important but coastal fishing is much more important." This appears to be a truly appropriate advice.

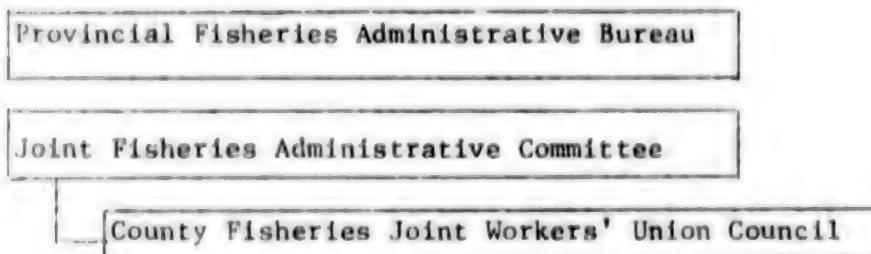
Around 1975-1976, there was a proposal from the DPRK export division dealing with a large quantity of herring, flatfish, etc. from the northern waters, indicating that the DPRK was completely equipped with deep-sea fishing fleet. The transaction did not materialize because the Japanese side could not resolve the problem of import restrictions, quality and other terms of the deal. There are indications, at present, that the DPRK has some form of fishery agreement with the USSR and at times, jointly engage in fishing for pollock, etc. off Kamchatka with the Soviet fishing fleet.

2. Fishery Administrative Setup

A. Central



B. Regional



Fisheries Department--Guidance of State-operated fishing industry.

Joint Fisheries Guidance General Bureau--Guidance of joint fishing industry

Provincial Fisheries Administrative Bureau--Guidance of State-operated fishing industry

Joint Fisheries Administrative Committee--Guidance of joint fishing industry

Analyzing President Kim's statements and implications concerning the reorganization, the following emerge:

(1) The material and technical foundations of the fishing industry have been further strengthened. As a result, the Fisheries Joint Workers' Union Council cannot be guided through administrative procedures. Only through the enterprise system can effective guidance be given.

(2) The small fishing fleet or small fishing operations units which are owned as the State-operated Small Fishing Industry Office. They will be on a completely self-paying system, and if they can earn profits like the Fisheries Joint Workers' Union Council, income passed on to the union members will increase.

(3) The Fisheries Joint Workers' Union Council will establish a priority system to further develop the small fishing industries. (By priority system is meant the application of a minimum amount in income distribution to the smaller operating units under the self-paying system. Reporter's note.)

(Above is the gist of the guidance statement by President Kim.)

(4) The setup of the fishing industry management, newly advocated by President Kim, will further strengthen the guidance given to the state-operated fishing industry as the industry develops. Management of the Fisheries Joint Workers' Union Council will be accomplished not through administrative procedures but through the enterprise system with planned guidance to positively increase production. This is the most logical setup. (CHOSEN JIHO 2 Nov 78)

Thus, to attain the 7-Year Plan goals, the fishing industry on the east coast would be expanded while balancing deep-sea and coastal, inshore fishing. On the west coast, efforts would be directed at development of coastal fishing and medium and small fishing enterprises. Simultaneously, plans would be laid to strengthen aquaculture in shallow and inland waters. Fishing vessels would be increased and modernized with emphasis on construction of fishing vessels that can serve multiple purposes. Refrigeration plants would be enlarged and fish processing plants would be enlarged and modernized.

The plans of the DPRK can be well understood, but the issue must be considered from another viewpoint. The setup for deep-sea fishing has been completed with the availability of fleets of large fishing vessels and port facilities but to cope with the problem of the recently established 200-mile operational limit and the effects of increased added value created by the processing, distribution, etc. of the fish catch which is brought back, strong national guidance will become increasingly necessary. Emphasis will be laid on state-operated fishing industries but coastal fishing cannot be neglected. Rather, the urgent task is to promote coastal fishing but [the government] cannot carry it out to that extent. Therefore, it is believed that the self-paying system and the priority system to return profits were established to promote and encourage production. Under the self-paying system, the cooperatives are expected to increase productive capacity and to obtain higher income but they cannot act freely since they are under the government's control. In what form their creative innovations would appear and what domestic and foreign effects they might have are interesting points to note in the future.

3. Relations With Japan

It is said that half of the fish catch of the DPRK is pollock. Therefore, of the 1.6 million tons of catch in 1976, 800,000 tons were pollock. The remaining catch was made up of other fishes. Considering that there are many other species of fishes, that the fishing areas are scattered and the fishing periods differ, the fishing industry must be prepared with correspondingly adequate facilities and operations.

DPRK's fishing situation is entirely different from that of Japan which is explained below for reference purposes. Within DPRK's 200-mile nautical limit, reportedly there are about 2,500 Japanese fishing boats operating, 30,000 persons engaged in fishing and the catch is 81,000 tons. According to fishery statistics of the Agriculture-Forestry Ministry, in the northern and southern waters of Japan Sea, 2,500 fishing boats without motors and 11,000 powered fishing vessels are operating and the catch is 828,000 tons.

The main catches are: 147,000 tons of cuttlefish; 14,000 tons of salmon and ocean trout; 39,000 tons of pollock; 90,000 tons of sardines; 44,000 tons of horse mackerel; 39,000 tons of flatfish, 31,000 tons of crab, etc.

As for Japanese-DPRK fishery relations, after establishment of the 200-mile limit, a mutual agreement of cooperation in fishing within the DPRK 200-mile economic waters (excluding military warning zone) was concluded on 5 September 1977 between the non-governmental Japan-DPRK Fishery Conference and the DPRK Tonghae [East Sea] Fishery Union Association. The original effective cut-off date of 30 June 1978 was extended 2 years.

4. Marine Products Trade With DPRK

Japanese imports during 1977 and 1978 are shown in Table 2, showing a rapid increase of 2.7-fold in the past year. There are noticeable increases in imports of cherrystone clams, cod roe, salmon, ocean trout and crab.

Because of weather conditions, imports of cherrystone clams had been difficult in winter but joint efforts between Japan and the DPRK have made it possible. Annual imports of 6,000 to 8,000 tons are expected in the future.

While cod roe is an import export item for the DPRK, until now transactions have been slow because of quality problem. To improve quality, the DPRK repeatedly conducted technological exchanges with Japan and with increased facilities, exports in large quantities have become possible. On the Japanese side, the cod roe market took a favorable turn and with the need for more imports, trade dealings suddenly expanded. In 1979 imports of these products will probably exceed 5,000 tons. However, there is still the problem with their quality.

With regard to marine products deals with the DPRK, export outlets are scattered, as shown below (company name and cable):

Korea Marine Products Export and Import Corporation - SUSAN

Korea Manpung Trade Corporation - MANPUNG

Korea Daesong Trade Corporation - DAESONG

Korea Kwangmyong Trade Corporation - KWANGMYONG

Korea Meibong Company - MEIBONG

Korea Foodstuffs Export and Import Corporation - KOREA FOODS

Korea Rungrad Company - RUNGRAD

Korea Haisan Trade Corporation - HAISAN

Of the above, the Haisan Trade Corporation is said to be a trade organ directly controlled by the Ministry of Fisheries as a result of the aforementioned fishing industry reorganization.

Trade transaction methods can be generally divided between the usual one-way import deal and the barter-type deal. In the one-way deal, wrapping and container materials, etc. are sent to receive the products.

Discrepancies concerning quality are likely to occur, and it is necessary to repeat technological exchanges. Unification of standards, re-examination of the inspection system, etc. are indispensable for future development.

While there are many problems, as discussed above, the future outlook has become brighter because of the following factors: the DPRK is close to Japan; there are many species of fish which the Japanese like best; considerable attention has begun to be paid to quality improvement; and the DPRK has become increasingly anxious to increase various types of exports. A permanent expansion of trade must await establishment of diplomatic relations, conclusion of fishery agreements on government-to-government basis and normalization of export-import conditions.

Table 2. Imports of Marine Products from DPRK (1977-1978)

Types	Products	1977		1978		Increase Decrease Ratio(%)
		Gross tons	1 million yen	Gross tons	1 million yen	
Fresh	Salmon, trout	662	243	1,806	598	146.1 %
	Spanish mackerel	2	1	26	6	500.0
	Cod	-	-	44	34	-
	Cod roe	-	-	99	147	-
	Others/fishes	357	59	196	45	Δ 23.7
	Shrimp	6	4	2	2	Δ 50
	Cuttlefish	14	2	-	-	-
	Squid	55	11	57	11	0.0
	Crab	56	17	206	145	752.9
	Abalone	2	1	-	-	-
	Cherrystone clam	1,763	313	5,378	1,067	240.9
	Others/Crustacea/ Mollusca	179	49	93	30	Δ 38.8
	Whale meat	34	6	8	2	Δ 66.7
	Total	3,130	706	7,916	2,087	195.6
Frozen	Cod roe	378	101	1,783	1,234	1121.8
	Herring roe	8	16	9	19	18.8
	Sea urchin roe	245	432	193	280	-35.2
	Jellyfish, etc.	7	2	-	-	-
	Other fishes	23	8	166	30	275.0
	Cuttlefish	4	5	-	-	Δ100.0
	Cherrystone clam	2	1	-	-	Δ100.0
	Others/Crustacea/ Mollusca	64	25	33	40	60.0
	Total	731	590	2,184	1,603	171.7
Smoked - Salted	Agar, others	7	10	-	-	Δ100.0
	Fish Preparations	-	-	73	27	-
	Cuttlefish "	57	50	303	134	168.0
	Crustacea, Mollusca	303	90	167	72	Δ20.0
	Preparations	360	140	543	233	66.4
Agar	Others	56	4	24	2	Δ 50.0
	DPRK Total	4,284	1,450	10,667	3,925	170.6
	Japanese Import Total (Amount)		656,209		674,790	2.8
Ratio			0.22%		0.58%	

Foreign Trade of the DPRK

I. Summary

From around 1974, the DPRK began to show a tendency to delay trade payments, and from late 1976 to early 1977, it began to default on payments of liabilities and was forced to temporarily extend redemption of debts. Looking at the 1978 trade situation with 17 main countries, the situation does not seem to have improved much. [Note: See Tables 3, 4, 5, 6, 7 & 8 for DPRK foreign trade.]

In other words, trade exports to the 17 main countries totaled 396.51 million dollars (33.2 percent increase over 1977), while trade imports amounted to 536.54 million dollars (30.6 percent increase over 1977). Trade deficits still continued. Furthermore, of the deficits, the amount owed to 14 Western countries increased from 112.98 million dollars in 1977 to 147.28 million dollars. Since trade with Western countries is conducted almost entirely on cash basis because of the liability problem, the increase in deficit amount must be creating further pressure on the foreign currency situation.

II. Trade Trends With the West

A noticeable development in trade with various Western countries in 1978 was the great decrease in exports of non-ferrous metals, such as lead and zinc, which had been significant sources of foreign currency acquisition for the DPRK. Since export items to various countries vary, precise comparisons cannot be made, but exports of non-ferrous metals to various main countries decreased greatly or stopped across the board, as can be seen in Table 3.

At the London Metal Exchange [LME], the price of zinc rose from 290 pounds per ton in December 1977 to 346 pounds in December 1978 while lead prices increased from 369 pounds per ton in December 1977 to 432 pounds per ton in December 1978. Since this big increase was an excellent chance for obtaining foreign currencies, it is not understandable why the DPRK withheld sales.

Since LME reports that the USSR and East Europe were buying up lead and zinc in large quantities, it is possible that the DPRK lead and zinc flowed in huge amounts to the USSR.

According to DPRK news reports, production of non-ferrous metals increased by 20 percent during the first half of the year and 1.5-fold during the 3rd and 4th quarters, as compared with the same periods of the previous year, and that non-ferrous metallic products were exported in large quantities to foreign countries.

Table 3. DPRK Export Trends Of Non-ferrous Metals
(Unit: 1,000 dollars)

Country	Items	1977	1978	Increase/ Decrease (%)
France	Lead - Lead products	1,035	--	-100.0
	Zinc - Zinc products	4,344	982	- 77.3
Denmark	Zinc	86	--	-100.0
Switzerland	Zinc	341	53	- 84.4
United Kingdom	Non-ferrous metals	996	288	- 71.1
Belgium	Non-ferrous metals	3,283	247	- 92.5
Italy	Lead	241	--	-100.0
	Zinc	(80% less than 1976)	--	-100.0
Singapore	Lead	25	--	-100.0
	Zinc	2,742	2,402	- 12.4
Japan	Zinc concentrates	3,896	814	- 79.1
	Zinc (ingots)	17,625	16,211	- 8.2

Aside from the export of non-ferrous metals, the main export items normally vary greatly by country and by year, and a general statement cannot be made but it appears that the exports of textiles and textile products and marine products were favorable. For example, exports to the eight Western countries listed in Table 3 of items other than non-ferrous metals, including lead and zinc, were approximately 75.7 percent greater in 1978 than in 1977 and reflects efforts of the DPRK to encourage exports. The main import items were machineries, chemical products, steel and steel products.

Although trade statistics could not be obtained at this time, it appears that in trade with the developing countries, the DPRK is exporting machineries, textiles and textile products, cement and grain, such as rice and corn, and shows some surplus in trade balance. However, the surplus is not sufficient to make up for the deficits with advanced countries.

Particularly noticeable in trade trends with individual countries is the 3.5-fold increase in imports from Singapore. The main import items are plastic raw materials (22.05 million Singapore dollars--54.9 increase over the previous year), natural rubber (11.40 million Singapore dollars--5-fold increase), petroleum products which were not imported last year (19.45 million Singapore dollars), tungsten ore (6.25 million Singapore dollars) and tin

ingots (6.21 million Singapore dollars). This trend can be interpreted as the selection of Singapore as a new source of materials because of the heavy liabilities that the DPRK shoulders at present. In March 1978, a DPRK delegation (headed by Vice Premier Kong Chin-tae) visited Singapore.

III. Debt Repayments Tend to be Overdue

From around 1972, the DPRK expanded its trade with various Western countries but the trade deficit continued because of the subsequent oil shock and drop in the non-ferrous metals market. Import payments were greatly delayed and through negotiations with creditor nations such as Japan and various European countries, obtained deferment of payments. However, subsequent debt payments are not necessarily being made regularly.

With France, UK and FRG, the following agreement was reached in March 1977 concerning the deferred payments: (1) as for financial bonds, with the Societe Generale of France as the managing bank, payments of debentures totaling 371 million German marks will be made over an extended period and the DPRK will repay in 21 installments from April 1978 to April 1984; and (2) export credit (488 million Swiss francs and 323 million German marks) will also be postponed and repaid in 21 installments from November 1978 to November 1983. In accordance with this agreement, the first payments were made in April 1978 and November 1978, respectively, but the amount paid, the due date of the second payment and whether it was made, are unknown. For both of the above payment plans, interest was to be paid in three installments. The first installment of the above financial debenture interest was scheduled to be paid in July 1977 but payment was delayed till September and the amount paid was only 10 percent of the due amount. First payment of the export loan interest was also delayed by a month, and it was paid in July 1977 and the second payment was made in December, as scheduled, but the second payment was only one-third of the due amount.

Next, as for Switzerland, with the three big banks (UBS, SCB, SBC) as the nucleus, agreement was reached with the DPRK in April 1977 that the liabilities of approximately 100 million francs would be deferred for 4 years, on condition that overdue interests be paid. The first payment of the overdue interest based on this agreement was scheduled for late December of 1979.

The DPRK has a debt of 600 million Swedish krona to Sweden. At present, since enterprises such as Atlas Copco, Morgardshammer, Fala International, etc. were covered by export insurance, the creditor is the state-operated Swedish Export Credit Guarantee Committee [EKN]. On condition that the DPRK repay 40 million Swedish krona before 1976, EKN was negotiating to approve an extension of 2 years for export loan payments. However, because the DPRK could not complete the stipulated payment of 40 million Swedish krona, agreement could not be reached. It is said that even today, the DPRK is paying only interest irregularly.

The DPRK owes Austria approximately 1.6 billion Austrian schilling but since 1977, it has repaid only 25.6 million Austrian schilling toward the interest and 55 million Austrian schillings toward the principal.

It is reported that the USSR and Australia, too, are participants of the bank consortium formed by West Europe to deal with DPRK liabilities.

Among items over which there is no concern of payment default in the future is the export of a petro-chemical complex (contract sum of approximately 155 million francs) by SPEICHIM of France. Against French demands, DPRK workers carried out the construction of the complex, and there is possibility of troubles during the trial operations because there are many faulty spots in the welding. There is worry that, in that event, the DPRK might refuse to make payments.

A country-by-country survey was made, and as with Japan, payments to West Europe do not appear to be made regularly.

IV. Economic Exchange Primarily With Underdeveloped Countries

Because the debt problem is not being resolved satisfactorily as described above, economic exchange between the DPRK and various Western European countries, particularly the advanced countries, is stagnant and even regressing.

For example, the Oliver Company of France, which had had trade relations with the DPRK and was the only on-site trade outlet, closed in July 1978 its Pyongyang office which had been operating since 1968 because of inactive trade with the DPRK and of the glowing outlook for the future.

With Italy, an agreement of cooperation concerning trade promotion was reached in July 1977 and offices were to be mutually established in Rome and Pyongyang, but the offices have not been opened yet. Italy was scheduled to have dispatched a market survey mission to the DPRK in 1978-1979 but the plan has not materialized.

Exchange with advanced countries was generally inactive but exchange with developing countries was active with successive visits to the DPRK by chiefs of states, including invitational visits to the 30th anniversary celebrations of the founding of the nation on 9 September, and the conclusion of trade agreements. (Note: Visit of the premier of the People's Democratic Republic of Yemen in April; Seychelles president, PRC premier, Mozambique president and Congo president in May; Rwandan president in June; and Malagasy president and Bangladesh president in September.)

During 1978, the DPRK concluded trade agreements with the following countries: India in February (Note: agreement terms are unknown but it is believed that cement export from the DPRK was discussed, and in September, on the occasion of the Indian trade delegation visit, export of zinc was negotiated); Ghana in April; Central African Republic, Mozambique and Congo in May; Algeria in September; Afghanistan in November; and Thailand in December. A protocol, concerning conclusion of a trade agreement, was also signed in November with Malaysia. The agreement with Algeria is a long-term trade treaty from 1979 to 1981, and the DPRK will export to Algeria, machine tools, cement,

anthracite, fire-resistant bricks, ceramic wares, white rice and corn and import crude oil, leather, apatite and chemical products. The agreement with Thailand calls for the DPRK to export zinc and steel sheets worth 150 million bahts (approximately 7.5 million dollars) and import from Thailand, manganese, jute bags, etc. worth 213 million bahts (approximately 10.65 million dollars).

For the DPRK, it is important to obtain the support of various non-allied countries at places like the UN and is expected to actively promote economic exchange in the future with underdeveloped countries.

V. Trade Trends With Socialistic Countries

In contrast to Western countries, the main trade items with socialist countries are not expected to change drastically every year. The main exports from the DPRK will be machineries, textiles and textile products, grain, chemical products and non-ferrous metals while imports will be primarily machineries.

Imports from the USSR, which is DPRK's main trading partner, are mainly machinery and facilities, crude oil and oil products and wheat. Of the machinery and facilities, the portion of steel refining and oil refinery facilities is high.

As for imports of crude oil and oil products, a general statement cannot be made, since the ratio of imports between crude oil and oil products is unknown. The price at the beginning of 1970s was, however, 33 rubles per ton. After completion of the Unggi refinery which was constructed with Soviet aid, the price of crude oil and oil products dropped because perhaps the supply of crude oil increased; the price in 1975 was about 24 rubles per ton. The monetary amount of crude oil and oil products imports declined slightly in 1972-1973 but generally maintained the level of 25 million rubles. There was a sudden increase, however, of 64 percent to 42.69 million rubles in 1976 over 1975, and the price rose to 41 rubles per ton. The monetary amount in 1977 was 47.26 million rubles but the quantity has not been announced. Since it is said that the USSR notified East European countries of increase in oil price, it is believed that the USSR raised the price on the DPRK.

The same can be said for wheat. Between 1970 and 1975, wheat price hovered around 69 rubles per ton but it increased nearly 50 percent in 1976 to 102 rubles.

The main export items from the DPRK to the USSR are non-ferrous metal products (barite and talc), non-ferrous metals and alloys, cement, magnesia clinkers, rice and textile products (clothing and towels). Non-ferrous metals are not shown in the statistics for 1976-1977 but judging from the afore-mentioned Soviet actions at the LME, it cannot be believed that the USSR stopped importing non-ferrous metals from the DPRK and had intentionally omitted it from the statistics.

Table 4. DMK Foreign Trade (1976)

(Unit: 1 million dollars)

	Exports		Ratio(%)	Imports		Ratio(%)	Total		Balance	
	1977	1976		1977	1976		1977	1976	1977	1976
Japan	5886	5617	68.6	13161	20108	48.6	18257	25786	-7265	-14332
West Europe	4032	3773	42.5	9785	12356	32	9837	16132	-1723	-482
France	810	392	-32.2	603	1042	72.3	1433	1434	0	-430
Sweden(Jan-Nov)	139	113	-18.7	404	221	-45.3	543	334	-263	-108
Switzerland	666	113	6.2	1273	1643	21.2	1261	1636	-1265	-1430
Denmark	014	007	-50.0	878	142	78.7	892	149	-865	-125
Belgium	287	022	-92.6	878	310	-46.1	873	232	-821	-288
Austria	032	371*	108.4	183	223*	27.0	217	606	-1783	136
Norway	016	007	-80.6	-	025	-	036	032	-111	036
Italy(Jan-Aug)	131	498	280.2	260	326	34.4	381	824	-1189	162
FRG	2003	3693*	93.3	263	2225*	2.9	4166	6220	-483	1770
United Kingdom	512	257	-46.9	248	179	-27.6	760	436	-264	678
Asia/Oceania	2235	2223	-0.1	6060	8638	44.7	8285	8861	-286	-3633
Australia*	019	006	-68.4	1870	688	-86.6	1489	684	-866	-632
Hong Kong	1526	1694	51	1020	1419	38.1	2346	3023	-187	183
Singapore	680	613	-8.9	1070	3781	262.4	1750	4394	-1511	-3168
Canada	045	041*	-8.9	010	094*	84.0	055	135	-89	-233
USSR/East Europe	24078	21898	-8.7	24893	20275	-18.6	48972	42270	-127	1720
USSR(Jan-Sep)	16119	20080	24.4	15394	19227	23.2	31713	39207	-239	832
Yugoslavia	501	...	...	332	...	...	834	...	...	...
Romania	178	...	...	1295	...	...	2570	...	-1820	...
Poland(Jan-Oct)	1340	1638	44.4	1117	1648	-4.2	2457	3083	-214	887
Bulgaria	1247	...	...	1431	...	...	2678	...	-124	...
GDR(1)	2250	...	...	2250	...	...	4500	...	...	...
Czechoslovakia	826	...	...	1137	...	...	2022	...	-232	...
Hungary	921	...	...	1218	...	...	2139	...	-297	...
Totals	26396	29651	8.9	48511	52654	23	84807	92205	-27	-12802

Footnotes:

* denotes estimate
 - denotes decrease
 ... = unknown

(1) GDR officially announces only import totals

Statistics were compiled from the customs clearance statistics of various countries and revised according to DMK standards.

Table 5. DPAK Foreign Trade (1970's)

(Unit: 1 million dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978
France	Exports	1030	1242	1430	1733	2021	2220	220	202
	Imports	500	192	1253	6547	10560	2462	605	1042
FRG	Exports	1147	270	230	1245	2075	4599	1800	---
	Imports	614	174	858	4248	8513	4609	2440	---
United Kingdom	Exports	128	643	645	676	430	285	113	---
	Imports	644	688	690	222	3137	167	1410	---
Austria	Exports	626	605	610	676	680	662	632	171
	Imports	426	203	269	481	2724	2647	1540	234
Belgium	Exports	162	234	310	281	648	134	285	222
	Imports	606	121	631	654	1293	492	111	295
Denmark	Exports	---	---	604	604	634	604	614	607
	Imports	---	---	608	610	160	2221	680	142
Italy	Exports	630	263	432	256	287	223	199	498 (Jan-Aug)
	Imports	170	699	110	282	164	1213	359	136 (Jan-Aug)
Netherlands	Exports	100	216	209	485	819	429	144	---
	Imports	610	---	672	249	1082	166	688	---
Switzerland	Exports	649	682	699	170	623	662	667	113
	Imports	620	623	664	214	145	1113	1272	1543
Sweden	Exports	602	601	601	604	622	680	142	113 (Jan-Nov)
	Imports	611	602	604	668	1115	7229	418	221 (Jan-Nov)
Canada	Exports	---	---	---	611	609	653	645	631 (Jan-Sep)
	Imports	---	781	737	1249	4822	1050	610	671 (Jan-Sep)
Singapore	Exports	319	257	263	662	672	1051	680	613
	Imports	432	216	124	798	2212	264	1070	3281
Japan	Exports	3097	2702	3440	6509	9794	6447	9296	9416
	Imports	2568	3180	10279	11018	27211	10869	13761	20168

Footnote: Statistics from IMF "Direction of Trade" and various countries.

Table 5. (Continued)

(Unit: 1 million dollars)

		1970	1971	1972	1973	1974	1975	1976	1977	1978
USSR	Exports	1432	1349	1649	1782	1943	2067	1980	22229	20060 (Jan-Sep)
	Imports	2300	2668	3023	3013	2548	2526	24192	22223	19227 (")
Yugoslavia	Exports	808	-	-	803	1479	839	1014	801	---
	Imports	806	-	-	214	513	2131	1827	233	---
Romania	Exports	602	1068	1129	1585	1899	1800	200	275	---
	Imports	875	1097	1595	1821	2162	2443	2500	1706	---
Poland	Exports	1260	865	1027	203	1270	1339	1832	1589	1835 (Jan-Oct)
	Imports	1198	599	866	613	1185	1262	1216	1637	1048 (")
Bulgaria	Exports	455	261	489	832	1659	1217	1152	1247	---
	Imports	421	636	739	1091	1432	1748	2041	1431	---
GDR	Exports	3774	2653	2563	2837	3821	3268	3200	4500	---
	Imports	3252	8579	8800	3826	2332	---	---	---	---
Czechoslovakia	Exports	1457	1805	1881	1238	1391	985	632	825	---
	Imports	419	1098	781	781	871	1238	1034	1187	---
Hungary	Exports	238	266	161	211	252	421	602	821	---
	Imports	203	176	167	190	219	449	874	1218	---

Footnote: Various Countries' Statistics

(Exports) Table 6. USSR Trade With DPRK In The 1970's (Main Items) (Units: 1,000 rubles)

Code No.	Items	Units	1970		1971		1972		1973		1974		1975		1976		1977	
			Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount
	Total Amount	1,000,000 rubles	-	2070	-	3301	-	2816	-	2240	-	1943	-	1868	-	1818	-	1647
	Machineries, facilities and transportation equipment	-	-	90004	-	300269	-	94787	-	81111	-	85879	-	75402	-	48853	-	32069
110	Power facilities	-	-	25704	-	24096	-	1281	-	3054	-	4028	-	3226	-	1062	-	705
120	Mining facilities	-	-	4906	-	4609	-	2400	-	109	-	1281	-	1214	-	492	-	8
12390	Steel refinery facilities	-	-	15403	-	30392	-	31810	-	26260	-	24879	-	14847	-	4618	-	2348
12730	Oil refining plant facilities	-	-	11111	-	13042	-	9344	-	2185	-	1272	-	1412	-	2645	-	1222
170	Instruments and Experimental facilities	-	-	3137	-	3395	-	3599	-	2483	-	3067	-	2692	-	1245	-	1712
17301	Automatic regulating bearings	1,000 units	1066	1792	1091	1769	1325	2159	1150	1764	1374	1974	1028	1426	-	1518	-	2132
193	Aeronautical materials	-	-	861	-	920	-	4448	-	3313	-	4320	-	7280	-	8719	-	6801
20	Solid fuels	1,000 tons	693	12401	659	12760	491	6810	391	7591	334	6828	335	7227	-	11336	-	12407
21	Crude oil and oil products	1,000 tons	838	27221	790	23397	3981	13792	5650	16757	942	24716	1310	26618	1841	41589	-	47257
261	Ferro-alloys	ton	7683	2800	7591	3037	6597	3006	6592	2683	6088	2518	891	2538	-	3231	-	2548
35110	Automobile tires	units	-	3894	-	3775	-	3000	-	3881	36187	3909	2084	-	-	-	-	-
51001	Cotton	ton	-	6425	-	6391	7874	6757	7078	4958	8218	5364	6110	6100	4541	3907	6849	3326
70001	Wheat	1,000 tons	2472	17212	1922	10598	1848	10236	1818	12716	1811	15371	2122	14785	213	21822	-	28704
97	Daily cultural supplies	-	-	2328	-	2343	-	2116	-	2212	-	2920	-	4205	-	4230	-	2154
970	Home machineries and appliances	-	-	2040	-	2055	-	1817	-	1879	-	2414	-	3265	-	2856	-	2892
97011	Watches (clocks)	1,000 units	1537	1600	2188	1358	1209	734	1261	793	2183	1473	2342	1556	3196	2163	2082	1373

(Imports) Table 7. USSR Trade With DPRK In The 1970's (Main Items) (Unit: 1,000 rubles)

Code No.	Items	Units	1970		1971		1972		1973		1974		1975		1976		1977	
			Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount	Quantity	Monetary amount
10-19	Total Amount	1,000,000 rubles	-	1223	-	1223	-	1224	-	1223	-	1489	-	1914	-	1187	-	1645
25002	Machineries, facilities and transportation equipment	-	-	1243	-	4895	-	11128	-	8331	-	15077	-	12276	-	6747	-	4510
25009	Barite	1,000 tons	871	1736	828	2142	721	1866	834	2101	1061	2588	845	2455	(25)	2488	-	7269
25009	Talc	1,000 tons	434	1061	348	786	220	707	349	707	483	1103	869	1651	-	-	-	-
26001	Pig iron	1,000 tons	682	4410	715	4556	888	2813	287	1880	828	1328	413	2628	-	2481	-	1381
264	Rolled steel	1,000 tons	919	32512	803	28524	778	31476	942	38356	1064	38372	1167	41307	-	23110	-	32186
270	Non-ferrous metals and alloys	ton	18286	4372	5927	2498	16557	4377	16180	2711	23767	6904	15324	3775	-	-	-	-
27004	Zinc	ton	12185	2712	4371	1487	4748	1500	4531	1467	9841	2181	4338	1335	-	-	-	-
27005	Lead	ton	6617	1956	1627	934	9776	2469	6585	2146	14848	4465	8925	2204	-	-	-	-
27207	Rolled zinc products	ton	2729	1281	4373	1829	4347	1921	3116	1396	8631	3341	8476	6016	-	-	-	-
30	Chemical products	-	-	2097	-	1052	-	1837	-	1630	-	2369	-	2496	-	892	-	1711
40001	Cement	1,000 tons	437	5997	388	4706	428	5628	480	6236	345	4315	800	4313	275	5386	231	4800
4040401	Magnesia clinkers	1,000 tons	2073	10578	3755	18142	3418	17537	3786	16347	3883	16379	3707	16014	3428	26651	4055	41051
560	Volatile oils and natural essence	ton	-	-	-	-	200	3530	285	4866	280	4493	77	1397	100	3370	288	4357
726	Tobacco (leaf)	ton	4221	3884	1446	1148	1320	1084	2437	3291	4894	4323	2893	2548	728	729	1872	1675
8200907	Rice	1,000 tons	886	11242	1031	16223	879	11268	961	12108	1325	17023	1239	15834	849	15454	1642	21648
832	Fresh fruits	1,000 tons	367	4765	233	2037	219	2848	285	2763	308	4061	268	3964	114	2398	83	1891
910	Overcoats and coats, upper and lower garments	-	-	13530	-	24822	-	12338	-	11039	-	1519	-	10871	-	7333	-	7950
91504	Towels	1,000 units	1288	625	4897	1060	2385	800	5302	1478	4892	1124	6288	1446	4838	1948	5438	1486
93904	Sports shoes	1,000 pairs	1877	1561	1792	1532	2172	1533	2645	2172	2482	2326	2446	2336	1931	1921	1886	2082
941	Ceramic wares	-	-	2619	-	2170	-	2113	-	2358	-	2166	-	2329	-	1543	-	709

Table 8. Trade By Bulgaria With DPRK

(Exports)

Products	Unit	1975	1976	1977
Motorcycles	Units	315	168	108
Food machineries	1,000 lev	1,576	990	1,795
Bearings	1,000 units	318	163	224
Caustic soda	1,000 tons	26,274	10,638	-
Polyethelene	Ton	362	301	268
Tobacco leaves	Ton	444	515	398
Acetone	Ton	480	729	-
Sunflower oil	Ton	711	1,016	1,020
Pharmaceuticals	1,000 lev	1,444	1,780	1,293
Soap	Ton	44	1,873	3,096
Export Totals	1,000 lev	15,361	17,961	12,591

(Imports)

Products	Unit	1975	1976	1977
Lathes	Units	114	136	180
Steel materials	Ton	3,914	2,954	2,705
Fire-resistant materiel	Ton	16,537	9,328	4,973
Rice	Ton	1,009	1,011	3,288
Umbrellas	Units	6,000	3,580	-
Bicycles	Units	3,300	5,700	4,500
Cotton-knit goods	1,000 meters	1,112	1,191	352
Sports shoes	1,000 pairs	154	166	158
Import Totals	1,000 lev	15,110	10,141	10,968

Footnotes:

(Source) 1977 edition of Bulgarian Customs Clearance Statistics.

Note 1. Both exports and imports are FOB.

Note 2. 1 lev equals 0.88 US dollar.

Caught in a squeeze by the Sino-Soviet confrontation, the DPRK is continuing to follow the line of not favoring either the PRC or the USSR. PRC Premier Hua Guo-feng visited the DPRK in May 1978, however, and following the visit, the PRC agreed to supply oil to the DPRK at the favorable price of \$4.00 to \$5.00 per barrel. This is an interesting development in view of the Soviet price increase of crude oil and oil products. Since the PRC is preoccupied with its own economic construction; however, the DPRK cannot expect large-scale aid from the PRC and must take a neutral Sino-Soviet line.

Present Status of Japan-DPRK Trade

I. Japan-DPRK Trade Situation in the Past Several Years

1. Background of the Rapid Increase

The Japan-DPRK trade, which was officially sanctioned in 1961, showed a trend of gradual increase annually until around 1971. Also, until then, the trade pattern for Japan was one of imports over exports (see Table 9).

With 1972 as the dividing point in Japan-DPRK trade, Japanese exports greatly exceeded imports and trade dealings showed a rapid increase. With 1974 as the peak year, Japanese exports declined and trade decreased. From 1977 into 1978, trade has gradually increased again.

The occasion which triggered the sudden increase in DPRK trade, with 1972 as the dividing point, was the conclusion of the "Agreement On Japan-Korea Trade Promotion" on 23 January 1972 between the Japan-Korea Friendship Promotion Dietmen Federation and the Japan-Korea Trade Association of Japan and the DPRK International Trade Promotion Committee.

This "agreement" was valid for 5 years until late 1976 and called for the following: annual increase in trade transactions with the export-import amount to reach 150 million to 200 million pounds in 1976 (Note: At that time, Japan-DPRK trade was conducted in English pounds and at the then exchange rate, 420 million to 560 million dollars; at present, most of the transactions are in German marks and partly in English pounds); promote technical exchange and interflow of persons concerned with trade; for transactions of huge amounts, extend payments over 8 years or more; and mutually sponsor products exhibitions and establish trade representatives' offices.

Although non-governmental in nature, that such a positive, long-term agreement was able to be concluded for the first time, in January 1972, in Japan-DPRK trade relations indicates that the groundwork had been laid.

In July of the preceding year (1971), there was the announcement of President Nixon's visit to the PRC and amidst this shift in international trends, ROK-DPRK negotiations began, after summer, for the first time since the split into North and South Korea, through the Red Cross and authorities concerned.

Simultaneously, in September of the same year, Tokyo Metropolitan Governor Minobe visited the DPRK, followed by successive groups of news media people and to these visitors, President Kim (then premier) made strongly pro-Japanese statements. In the midst of these activities, the Japan-Korea Friendship Promotion Dietmen Federation (Dietman Chuji Kuno, president) was formed by supra-party Diet members. Parallel with the start of the South-North dialog, the opportunity was born out of mutual desires to improve Japanese-DPRK relations.

Furthermore, while the above-mentioned political developments were taking place, in the 6-Year Plan which started in 1971, the DPRK revealed aggressive intentions to import advanced machineries, facilities and technologies from Japan and various Western countries, while the Japanese side indicated a desire to aggressively fulfill DPRK's needs under the afore-mentioned favorable circumstances.

The conclusion in January 1972 of the "Agreement On Japan-Korea Trade Promotion" and the rapid expansion of Japan-DPRK trade stemming from the agreement --especially the sudden increase in deferred-payment Japanese exports--were made possible because of the above-mentioned circumstances and corresponding progress was made in trade relations between Japan and the DPRK.

In October 1972, at the invitation of the Japan-Korea Trade Association, the DPRK International Trade Promotion Committee Mission made its first visit to this country. The delegation had wide contacts with this country's economic circles and while creating opportunities for promoting Japan-DPRK trade, paved the way for subsequent visits to this country by technicians and trade-related personnel.

Conditions of deferred payments for the DPRK was extended from the short period of 2 to 3 years to 5 to 6 years, and in July 1973, for a cement-manufacturing plant costing 45 billion yen, approval was given for a long-term payment of 8 years.

Furthermore, in November 1973, for the export of a towel-manufacturing plant, loan from the Export-Import Bank of Japan was approved for the first time and following this precedent, the bank's loans were granted in a number of transactions.

In this manner, from 1972 through 1975, various types of textile plants and chemical plants as well as different types of facilities, machineries, steel materials, textiles, etc. were exported on a deferred-payment basis or with a 1-year usance limit payment condition. During the peak year of 1974, Japanese exports totaled 73.5 billion yen.

While the above transactions were taking place, from 1972 through 1974, preliminary negotiations were being conducted between the Japan External Trade Organization [JETRO] and the Japan-Korea Trade Association, on the Japanese side, and the DPRK side for mutual sponsorship of products exhibitions. Talks were also being held at various levels on the problem of mutually establishing trade offices.

2. From Promotional Opportunities to a Stalemated Mood

Since the conclusion of the "Agreement on Japan-Korea Trade Promotion," the above-mentioned growth and development could be seen in trade relations until about the midway point in the effective duration of the agreement.

The South-North dialog and the Japan-DPRK bilateral relations, which had served as the bases for conclusion of the agreement, did not proceed smoothly thereafter.

Reflecting on the political aspects, the following development can be noted: contacts which began in August 1971 between the ROK-DPRK Red Cross officials and authorities concerned culminated in a joint ROK-DPRK statement on 4 July 1972; the Tanaka cabinet which was formed in July of the same year normalized Sino-Japanese relations in September; and as mentioned earlier, the DPRK Trade Promotion delegation visited Japan in October. There were movements which created the general expectations, if only in intangible feelings that, "after Japan-PRC will follow Japan-DPRK."

The Tanaka cabinet's Sino-Japanese normalization was an abrupt about-face which invited repercussions and in the framework of the Japan-DPRK relations (or Japan-ROK relations), which differ from Sino-Japanese relations (or Japan-ROC relations), the theme, "after Japan-PRC will follow Japan-DPRK" could not be easily carried out.

After the joint statement of 4 July 1972, the South-North dialog did not progress harmoniously and talks were suspended a year later in August 1973 when the Kim Tae-chung incident occurred. Furthermore, in August 1974, after a year had passed, the Mun Se-kwang incident (shooting of President Park) occurred and not only did Japan-ROK relations deteriorate but the Japanese handling of the incident brought strong protests from the DPRK.

In this manner, the opportunity to improve Japan-DPRK relations, created by the start of the South-North dialog in the summer of 1971, was lost and the mood changed to one of stalemate. Negotiations to mutually sponsor products exhibitions and establish trade offices, which were mentioned earlier, came to a halt and no progress was seen.

The Japanese Government's policy toward the DPRK, heretofore, can be interpreted as one of steadily increasing exchanges of personnel and strengthening economic and cultural ties, etc., without damaging relations with the ROK, and in trade matters, some progress can be seen, such as personnel exchanges, deferred payments, loans of the Export-Import Bank of Japan, etc. The DPRK side, however, is taking a more cautious attitude on the assumption that the Japanese Government's DPRK policy is based on a permanent division into the two Koreas.

While deteriorating from a hopefully aggressive to a stalemated mood, another unfortunate situation arose in Japan-DPRK trade relations and that is, since the summer of 1974, the DPRK has been overdue in trade payments.

In other words, from around the summer of 1974, payments began to be late for exports made on the condition of deferred payment or 1-year usance limit payment condition. The main financial reason is believed to be that, after the oil shock of late 1973, export prices of non-ferrous metals and other items did jump temporarily but subsequently, because of the long recession in various Western countries, import amount from the DPRK decreased or the prices dropped and this situation upset DPRK's payment plan.

As far as Japanese imports are concerned, items from the DPRK are mainly primary or secondary products and sudden increases are difficult, quantity-wise and monetary-wise, but significant increases were noted from 1973 to 1974 and during the peak year of 1974, the amount reached 31.7 billion yen.

But the Japanese import amount subsequently decreased to around 20 billion yen and as can be seen in the attached charts [see Tables 10 and 11], the decrease was due to the fact that the import of metallic products, which had accounted for nearly half of the import amount, was reduced to about two-thirds of the 1974 sum and ore products also showed a decline. Taking zinc ingots as an example, the quantity did increase from 11,451 tons in 1974 to 27,000 tons in 1976 but the price was reduced from one-half to one-third [of the 1974 price per ton].

In 1974, raw silk constituted over 10 percent of the import total but because of import restrictions by Japan, the amount was greatly reduced. On the other hand, the import of steel ores which averaged 500,000 tons annually until 1973 was reduced by the DPRK, for reasons of its own, to 300,000 tons in 1974 and to 200,000 tons in 1975 and was then stopped completely.

Returning to the matter of late payments, from around the summer of 1974, the DPRK began to default on payments, and a number of negotiations were held between 1975 and 1976. Eventually, acceding to the wishes of the DPRK to extend payments, an agreement concerning the extension of Japanese export credits was concluded in Pyongyang on 27 December 1976 between the Japan-DPRK Trade Delegation, made up of representatives of Japanese creditors, and the Foreign Trade Bank of the DPRK.

The contents of the agreement have not been publicly announced to this date but it is claimed that for most of the remaining credits, estimated at approximately 80 billion yen, the payment due dates were extended from 2 to 3 years.

This agreement appeared to have resolved the payment problem which had arisen in Japan-DPRK trade relations since the summer of 1974.

Execution of DPRK payments under this agreement, however, began to show delays again as early as mid-1977. Since then, the concerned authorities have been continuing up to the present, efforts and negotiations to solve the problem without success. The payment problem is still the biggest question in Japan-DPRK trade.

From late August to early September 1977, a delegation of the Japan-Korea Friendship Promotion Dietmen League visited the DPRK. The main subjects of negotiations for the delegation were, first, the fishery problem arising from the establishment by the DPRK of the 200-mile economic water limit in August of the same year and secondly, the question of how trade should be conducted in the future in view of the fact that the afore-mentioned "Agreement On Japan-Korea Trade Promotion" would expire in late December 1976. As far as the fishery problem was concerned, an interim agreement and rejected that except for a 50-mile limit along the coast (operational limit set by the DPRK), Japanese fishing boats could operate within the 200-mile territorial water limit set by the DPRK. (Along the DPRK west coast, the economic water limit extends to a point midway between the DPRK and the PRC and since the economic water limit and the operational border limit overlaps, fishing operations by Japanese boats are impossible.) At the time of conclusion, the interim agreement was valid only until late June 1978 but through negotiations prior to expiration, the effective duration was extended for 2 years.

With respect to the trade problem, at the time of negotiations by the Japan-Korea Dietmen Federation delegation, the execution of the late December 1976 agreement to defer credit payments was not proceeding as scheduled and payments were overdue. Therefore, the negotiations did not touch on new trade transactions and it was decided to continue the talks on payments. Until a new agreement was reached, the "Agreement Concerning Japan-Korea Trade Promotion," dated 23 January 1972, was to be considered valid. Thereafter, no progress has been made in talks on this problem.

II. Japan-DPRK Transactions in 1977 and 1978

As described above, Japanese exports increased rapidly since 1972 but because of the payment problem, with 1974 as the peak year, exports began to decline in 1975 and 1976. The 1975 export figures included a considerable amount of items, including plants, etc., which had been contracted for prior to payment defaults and which had already been loaded on ships for exports. In 1976, when the shipment of such types of items had been completed, exports had decreased to about half of the previous year's total.

During the 2 years following the December 1976 conclusion of the agreement to extend the export credits, trade showed a trend toward increase in spite of the problem in the implementation of the agreement.

On the other hand, as for Japanese imports, with 1974 as the peak year, there has been fluctuations, but since 1978, there has been an upward trend. The main export-import transactions for the 2 years of 1977 and 1978 are as shown in attached Tables 10 and 11.

1. Japanese Exports

In 1977, Japanese exports totaled 37.76 billion yen and showed an increase of 18.2 percent over the previous year which registered a sudden drop.

Of Japanese exports, the ratio of machineries is fairly large and heretofore, accounted for nearly half but recently it has been dropping.

Of the export items, machineries (transport equipment, electrical apparatus and general machinery) amounted to 11.93 billion yen and occupied 35.3 percent of the export total. This sum was about the same as the previous year. The main items were vehicles such as trucks (700 vehicles worth 1.71 billion yen), electrical apparatus such as television receiving sets, and machine tools, mining machinery, etc.

Next to machineries, the big export item is textiles and textile products which amounted to 4.43 billion yen and 16.1 percent of the export total. That sum was 3.6 times greater than that of the previous year, and textiles accounted for practically all of the increases registered in 1977. The main textile products were short fiber polyester and polyester knit goods.

Next came steel and non-ferrous metals such as aluminum which totaled 5.07 billion yen, accounted for 15.1 percent of the export total and showed a 25 percent increase over the previous year. With 1974 as the peak year, steel declined but in 1977, 15,200 tons values at 2.59 billion yen were exported showing 37.1 percent increase over the preceding year.

Other principal items include chemical products such as agricultural chemicals, artificial resin, plastics, etc., kraft paper, paper used for newspaper, etc. These items are exported yearly.

(1978)

In 1978, Japanese exports totaled 37.95 billion yen, an increase of 12.3 percent over the preceding year.

Machinery exports continued to be large and amounted to 12.82 billion yen, accounted for 33.8 percent of the export total and showed an increase of 7.4 percent in monetary sum over the previous year. Exports of trucks, electrical apparatus and mining machinery continued as before but among them, color television receiving sets and electric power cables showed noticeable increases.

Exports of textiles such as polyester and textile products continued to be sizeable but amounted to 4.35 billion yen in 1978, which was a decrease of 20 percent from the preceding year, and the export total ratio dropped to 11.5 percent.

In contrast, export of metals amounted to 6.2 billion yen, an increase of 18.6 percent over the previous year, and accounted for 15.9 percent of the export total. This was due to the 34 percent increase in steel export (22,800 tons worth 3.47 billion yen).

Export of chemical products totaled 5.92 billion yen, an increase of 14.4 percent over the preceding year, and accounted for 15.6 percent of the export total. Among the products, 6,125 tons of polyethylene valued at 1.1 billion yen were exported, an increase of 4.7 times over the prior year.

Export of kraft paper and other types of paper such as printing paper showed a 12.1 percent increase.

2. Japanese Imports

(1977)

In 1977, Japanese imports totaled 18.1 billion yen, a decrease of 14.8 percent from the previous year.

Metals, ore products, marine products, etc. which had been the main import items decreased from the preceding year but, in turn, textile raw materials increased.

Metallic products amounted to 9.05 billion yen and accounted for 49.9 percent of the import total but in monetary sum, showed a decrease of 23.2 percent from the preceding year. Among them, lead metal showed a big increase over the previous year while pig iron and silver metal showed a considerable decrease and zinc dropped in price levels.

Next, ore products amounted to 3.58 billion yen, accounted for 20.3 percent of the import total and registered a decline of 6.4 percent from the preceding year. The price of magnesia clinkers rose but the import quantity was greatly reduced and the monetary amount also declined. The import quantity of zinc ore increased but the monetary sum decreased while talc decreased in quantity but increased in monetary amount.

Anthracite, marine products, foodstuffs, etc. also decreased. While these items decreased, textile raw materials amounted to 1.94 billion yen, an increase of 2.6 times over the previous year, and accounted for 10.7 percent of the import total. As mentioned earlier, because of Japanese import restrictions, raw silk decreased yearly but the import of cocoons rapidly increased and wool also showed an increase in this year.

(1978)

Japanese imports which had fallen in 1977 began to show an increase again in 1978 and reflecting an increase of 22.9 percent over the preceding year, totaled 22.26 billion yen. Items which mainly accounted for the increase in imports were marine products, foodstuffs, textile raw materials, etc. and created a change in the import pattern which had relied mainly on metals and ore products in the past.

Import of metals amounted to 8.99 billion yen, which was about the same amount as the preceding year (0.7 percent decrease) but dropped to 40.4 percent in the import total ratio. Import of lead (unrefined lead) showed a

yearly increase and pig iron, which had sharply decreased the prior year, nearly doubled. The import quantity of zinc metal was the same as the preceding year but showed a decrease of 30 percent in monetary amount. Silver showed an annual decrease. (After the beginning of 1979, the non-ferrous metals market showed an upward trend.)

Ore products continued the decrease of the previous year. The import value was 2.72 billion yen, a 24.2 percent decrease, and 12.2 percent of the import total. Zinc ore decreased greatly and magnesia clinkers increased in quantity because of lower prices but the monetary amount decreased. Talc import was practically constant.

Anthracite decreased as in the preceding year.

To make up for these decreases, imports of marine products increased 2.6 times and foodstuffs, over 3.3 times.

Marine products amounted to 3.69 billion yen and occupied 16.5 percent of the import total. Showing a particularly noticeable increase was cod roe, and reflecting the influence of the Japanese-Soviet fishery agreement, purchases were centered on the DPRK, and quantity increased 5 times and monetary sum increased 13.6 times over the previous year. Import of cherrystone clams (mainly live ones) which had been steadily decreasing for several years also showed an increase. (Import of cod roe and cherrystone clams are also continuing this year.)

Foodstuffs amounted to 2.38 billion yen and accounted for 10.7 percent of the import total. Vegetables (salt-pickled or dried pinetree mushrooms, bracken, royal fern, stone parsley, watercress, etc.), mushrooms (mostly fresh pinetree mushrooms), etc. showed a big increase.

As for textile raw materials, cocoons continued to be imported in large quantities as in the preceding year and showed an increase of 74.9 percent and accounted for 15.2 percent of the import total.

III. Future Outlook

Although faced with the problem of overdue payments of deferred credits, Japan-DPRK trade has been increasing again since 1977 and the trend is continuing into this year.

As for future outlook, however, especially with respect to Japanese exports, prediction is extremely difficult at this time because of the problem of account settlement.

Most of the Japanese deferred export bonds carry export insurance, but on the occasion of the December 1976 agreement on deferment, the creditors agreed to delay, without requesting export insurance, and postponed the insurance contract until the payment due date.

Even after delays in payments, based on this agreement, began to reoccur, the organization of the creditors called the Japan-DPRK Trade Settlement Council (composed of 43 trading companies, manufacturers, banks, etc.) and tried its best to solve the problem through negotiations with the DPRK.

The loan principal and interest, for which payment due dates had arrived as agreed upon, have climbed to a huge sum and from the standpoint of business operations, the creditors are being forced into a situation where they must ask for payment of the export insurance.

Generally speaking, in the present world situation, it is not unusual for developing countries to be short of foreign currency and to be overdue in debt payments. In such cases, the normal procedure is to obtain approval of creditor nations or to reach bilateral agreement for a long-term deferment of 10 or 15 years for payment of liabilities (in the case of Indonesia, a 20-year extension was obtained). While, on the one hand, economic aid is being given to the debtor nation, export insurance will be paid to the enterprises of the creditor country.

Since there are no diplomatic relations with the DPRK, international arrangements cannot be made, as in the usual case, and the private enterprises took the unprecedented route of not requesting export insurance and deferring the export credits. Therefore, the deferred period had to be shortened as compared with the normal cases.

The private enterprises are approaching the limit of their financial burden and a solution is difficult to find without some form of government mediation, including payment of export insurance.

If that happens, how would Japan-DPRK trade, especially Japanese exports, be affected? In actuality, since about mid-1975, acceptance of export insurance has practically stopped and most of the present exports are limited to normal transactions. Furthermore, since the majority of the export items are paid for through cash remittances, the trade situation can be seen as remaining stable. The DPRK, too, must probably continue importing machinery and materiel needed for production.

The future of Japan-DPRK trade is difficult to forecast, however, because the governments will be facing unprecedented situations.

There is a potential to greatly increase Japanese imports and from the standpoint also of solving the payment problem of exports, both sides should strive to expand the trade.

As mentioned earlier, last year's exports showed that in addition to metals and mineral products which had been the main items heretofore, marine

products and foodstuffs showed a great increase, and there is a possibility of increasing imports of these items in the future.

In his New Year's message this year, President Kim Il-song stated that great efforts should be made in developing overseas trade this year and that in all economic spheres, the people should place priority on the production of export goods. The New Year's message is traditional and is interpreted as setting the nation's basic policy for the year and the trade problem was taken up for the first time in the message.

Many of the items imported from the DPRK are in competition with goods from the PRC and to expand and stabilize exports to Japan, the DPRK must make considerable improvements in trade settlements and product quality. Although this matter is not directly related to Japan-DPRK trade, for the DPRK to expand exports of cement, steel materials, non-ferrous metals, etc., which it is pushing, to countries other than Japan, it might be necessary to obtain the cooperation of Japanese trading companies which are influential.

Reflecting on the flow of Japan-DPRK trade during the past several years, it can be seen that various obstacles loom because there are no diplomatic relations. To normalize relations, there are many political and diplomatic problems but from the standpoint of trade, it should be hastened.

Table 9. Annual Export-Import Amount (1961-1978)

Finance Ministry Customs Clearance Statistics

Year (Jan-Dec)	Exports from Japan		Imports to Japan		Totals	
	Unit: 1,000 yen	Unit: 1,000 dollars	Unit: 1,000 yen	Unit: 1,000 dollars	Unit: 1,000 yen	Unit: 1,000 dollars
1961	1 777.810	4 938	1 431.259	3 976	3 209.069	8 914
1962	1 721.082	4 781	1 539.250	4 553	3 260.332	8 334
1963	1 925.063	5 347	3 394.893	9 430	5 319.956	14 777
1964	4 162.106	11 284	7 283.226	20 231	11 345.332	31 515
1965	5 941.902	16 505	5 300.300	14 793	11 242.202	31 228
1966	1 805.810	5 016	8 169.123	22 692	9 974.933	27 708
1967	2 203.164	6 370	10 658.020	29 606	12 861.184	35 976
1968	7 469.185	20 748	12 251.420	34 032	19 720.605	54 780
1969	8 697.208	24 159	11 586.920	32 186	20 284.128	56 345
1970	8 403.798	23 344	12 389.169	34 414	20 792.967	57 758
1971	10 025.357	28 907	10 542.791*	30 059	20 568.148	58 966
1972	28 780.569	93 443	11 799.811	32 311	40 580.380	113 1754
1973	27 072.887	100 160	19 607.139	72 318	46 680.026	172 478
1974	7 351 6042	25 1914	3 169 5229	108 824	10 521 1271	360 738
1975	5 333 1814	18 0630	19 263 273	64 839	7 261 5087	245 469
1976	2 857 0042	9 6056	21 243 401	71 627	49 813 443	167 683
1977	3 376 1091	12 5097	18 103 313	66 618	51 864 404	191 715
1978	3 794 7080	18 3347	22 256 057	106 862	60 203 137	290 209

(Monetary unit: 1,000 yen)

Table 10. Main Export Items (1974-1978)

Products	Unit	1974		1975		1976		1977		1978	
		Quantity	Monetary Amount	Quantity	Monetary Amount	Quantity	Monetary Amount	Quantity	Monetary Amount	Quantity	Monetary Amount
Mineral products											
Lubricating oil	kilo-liters	100	45,695	2377	240,710	1138	872,132	2987	1,472,284	2878	774,868
Chemical products											
Glycerine	metric tons	236	182,037	200	74,602	656	1,673,780	776	22,1913	1,884	252,787
Agricultural chemicals	"	175	122,656	108	103,660	1,423	23,683,02	2,008	1,432,248	1,784	1,312,867
Polyethylene	"	1,432	80,661	2,082	89,13,60	1,976	27,8386	1,384	23,1119	6,186	1,092,731
Vinyl chloride	"	114	12,085	184	162,156	186	184,309	244	18,1718	356	284,764
Diethyl phthalate (DOP)	"	88	1,6737	188	3,6537	280	4,6884	1,388	22,1322	1,479	23,4322
Rubber products											
Tire tubes	metric tons	856	89,1762	345	1,888,355	828	98,1338	859	7,64,482	662	1,188,562
Belt	"	188	24,4851	766	73,6764	848	8,92012	287	2,812,46	824	872,488
Paper											
Printing paper	metric tons	13,89	2,004,022	2742	1,527,889	2,896	1,486,244	2,692	1,421,900	2,826	1,592,486
Kraft paper/Cardboard	"	6,974	2,278,08	4,914	48,1971	4,288	50,4826	5,076	49,8868	5,797	34,1476
Textiles/Textile Products											
Short fiber polyester	metric tons	1,278	1,088,469	1,808	1,207,708	1,288	1,602,318	8594	84,225,49	8,638	434,6839
Synthetic fiber	"	1,888	747,368	88	20,2682	210	20,6887	311	1,018,12	283	1,78,668
Synthetic knit goods	"	2,435	2,002,000	1,46	72734	106	88,834	1,427	28,1286	412	17,8291
Fishing nets	"	184	2,421,708	132	20,8937	161	22,2979	282	1,728,262	488	36,1148
Rugs	"	118	19,4776	126	11,8317	182	14,1089	206	42,1789	191	47,8317
Base metals/Products											
Steel/products	metric tons	1,654,85	18,368,475	4,2038	81,621,68	8,498	4,084,810	1,8206	2,972,328	22,808	401,8162
Aluminum/products	"	2,65	1,672,8518	282	73,49,658	989	17,042,45	674	25,919,49	1,166	1,47,2877
			55,1897		41,8,469		13,69,131		1,124,128		90,8910

Table 10. (Continued)

Table 11. Main Import Items (1974-1978)

(Monetary unit: 1,000 yen)

Products	Unit	1974		1975		1976		1977		1978	
		Quantity	Monetary Amount	Quantity	Monetary Amount	Quantity	Monetary Amount	Quantity	Monetary Amount	Quantity	Monetary Amount
Agricultural products											
Chinese herbs	metric tons	868	264,392	1,395	468,193		938,807		378,016		234,338
Buckwheat chaff	"	840	167,600	973	304,984		368,937		157,938	388	114,982
Hemp seed	"	86	48,888	84	44,324		28,470		18,395	169	11,392
			12,948		11,686		18,478		26,386	381	32,437
Marine products											
Cherry-stone clams	metric tons	4,910	2,592,172	4,560	1,624,376		1,758,865		1,438,542		1,686,867
Cuttlefish	"	432	1,198,266	323	874,322	4,097	2,219,886	1,784	2,180,760	8,378	1,964,979
Sea urchins	"	327	1,685,225	388	1,140,008	830	2,149,966	76	87,393	202	127,866
Shrimps	"	89	29,420,404	18	298,045	266	20,231,5	243	42,178,8	264	20,21,06
Salmon & ocean trout	"	6	2,690	18	1,114,1	28	1,671,7	6	2,621	2	1,728
Cod roe	"	6	2,014	157	22,888	838	138,494	682	24,205,8	1,208	59,21,15
		311	9,492,5	223	30,493	164	2,298,3	378	10,118,4	1,823	1,380,552
Foodstuffs											
Mushrooms	metric tons	90	41,330,2	128	89,827		1,672,893		71,278,2		239,4,423
Honey	"	86	87,999	48	130,101	177	2,226,47	64	82,698	78	297,279
Pepper	"	117	27,888	32	12,493	60	14,811	17	4,874	78	17,148
Ginseng liquor	kilo-liters	71	14,052	49	5,898	6	12,07	74	1,688,8	186	52,481
Vegetables	metric tons	595	68,501	49	26,740	8	2,891	86	22,189	83	32,948
			10,834,7	1,099	87,051,3	1,576	774,598	1,264	54,182,3	1,482	1,964,922
Chemical industry products											
Peppermint oil	metric tons	28	14,640	36	27,229		12,8368		28,428,1		254,323
			14,245,0		10,601,6	31	947,87	83	2,221,09	83	247,892
Textile raw materials											
Seri-cultivated cocoon	metric tons	889	41,188,16	859	2,174,741		74,2914		1,942,385		239,821,2
Wild cocoon silk	"	36	476,09	104	29,2629	416	22,1831	400	2,623,21	439	262,773
Raw silk	"	463	17,8114	86	357,218	86	190,088	19	6,8214	41	1,623,62
Cocoon (reeling fiber use)	"		22,84,795		48,0492	82	252,180	36	1,652,23	36	1,82,493
Wool	"					12	2,488,0	438	1,174,967	784	247,598
						111	57,324	491	226,093	149	7,183,2

Table 11. (Continued)

Product	Unit	1974		1975		1976		1977		1978	
		Quantity	Monetary Amount	Quantity	Monetary Amount	Quantity	Monetary Amount	Quantity	Monetary Amount	Quantity	Monetary Amount
Ore products											
Iron ore	metric tons	304533	4937337	302765	4712663		4111691		3584338		2714345
Zinc ore	"	42193	1300465	38641	974782						
Natural earth graphite	"		2907054	38641	2324721	31817	1408467	26310	1034773	2342	182174
Natural phosphorous	"	18340	228763	18332	248132	4916	87676	12676	202120	11748	162864
graphite	"	648	42681	803	48422	348	36859	320	24350	108	12776
Magnesia clinkers	"	62003	1171168	61370	1004462	92093	1828289	82942	1386478	44389	1132224
Lining stone	"	2843	214294	2900	125308	4064	112886	2523	63378	2237	91499
Talc	"	40288	482274	44332	524784	32092	411471	32000	364109	45390	663973
Anthracite	metric tons	224764	2418498	24928	364880	76936	848810	46000	493827	37211	388353
Metals											
Pig iron	metric tons	88146	14934371	88013	2074210		12775323		6051457		2992714
Silver	kilo-grams	82389	5032072		2718293	118712	3292064	28161	772381	86818	1371338
Lead metal	metric tons	8654	2337586	24887	872051	12163	562463	1320	226898	2768	91728
Zinc metal	"	11461	1798231	7078	1131062	16484	2032766	14392	2912719	16691	3594301
Others			4392325	14002	2928793	21277	5044728	28926	4048028	26438	3404162
			186431		68183		374788		364733		301678
Import totals			81698229		18282373		21342461		14202313		22286037

Trade Organs of the DPRK

The following names were compiled from contacts with the DPRK Trade Promotion Committee and Korea-Japan Export-Import firms, as well as from the FOREIGN TRADE OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA, etc., published by the DPRK Trade Promotion Committee. (Not in any special order)

Promotion Groups:

THE COMMITTEE FOR THE PROMOTION OF INTERNATIONAL TRADE OF THE DPRK

Address: Central District, Pyongyang, DPRK

Cable Address: KOMT PYONGYANG

Telex: 354, 355 KP

Business: Promotes trade relations with countries that do not have commercial relations with DPRK

KOREA SOCIETY FOR SCIENTIFIC AND TECHNICAL EXCHANGE WITH FOREIGN COUNTRIES

Address: Central District, Pyongyang, DPRK

Cable Address: TAEOKISUL PYONGYANG

Business: Promotes scientific and technical exchange with foreign countries

Companies:

KOREA JEIL EQUIPMENT EXPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: ILSUCHUL PYONGYANG

Business: Provides economic and technical cooperation

KOREA JEI EQUIPMENT EXPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: ISUCHUL PYONGYANG

Business: Provides economic and technical cooperation

KOREA JESAM EQUIPMENT EXPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: SAMSUCHUL PYONGYANG

Business: Comprehensive facilities for various sectors

KOREA JEIL EQUIPMENT IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: ILSULBI PYONGYANG

Telex: 466 KP

Business: Mainly heavy industrial plants, hydro/thermo power plants, mining development, iron and steel mills, nonferrous metal industry, ship construction, cement facilities

KOREA JEI EQUIPMENT IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: ISULBI PYONGYANG

Business: Comprehensive facilities for chemical, pharmaceutical, textiles and light industries

KOREA JESAM EQUIPMENT IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: SAMSULBI PYONGYANG

Business: Facilities for chemical, pharmaceutical, textiles and light industries

KOREA SCIENTIFIC AND TECHNICAL INTERCHANGE CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: KISUL PYONGYANG

Telex: 466 KP

Business: Scientific and technological cooperation work

KOREA MACHINERY EXPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: KIGESUCHUL PYONGYANG

Goods Handled: Metallurgical machinery and equipment, metal cutting machine and equipment, principal machines and equipment, coal and mining machinery and equipment, mining equipment, electric machinery and equipment, communications machinery and equipment, machines and equipment for chemical industry, transportation machinery and equipment, machinery and equipment for light industry and agriculture, construction machinery and equipment
diesel engines, cutting tools, measuring tools, construction tools and repairing tools, bearings, insulator, electric fittings and materials, radio-television construction equipment, all types of gauges, medical apparatus and equipment, other machinery and related items

KOREA MACHINERY IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: KIGESUIB PYONGYANG

Telex: 356 KP

Goods Handled: Metallurgical industrial machinery and equipment, metal processing machines and equipment, ship fittings, power machinery and equipment, coal and mining machinery and equipment, probing equipment, electric machinery and equipment, communications machinery and materials, transportation machinery and equipment, construction machinery, chemical industrial machinery and equipment, light industry machinery and equipment, agricultural equipment machinery and tools, medical apparatus and equipment, various gauges, tools, bearings, radioactive equipment, radio/television equipment, electronics materials and parts, light electrical materials and other materials, rubber and its products, medical supplies, perfumes

KOREA MINERALS EXPORT AND IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: KWANGMUL PYONGYANG

Telex: 469 KP

Goods Handled: Solid fuel, metallic and non-metallic minerals, fire proof materials such as magnesia clinker and its products, calcined magnesia, talc, graphite and its products, building stones, gem, insulation materials, polishing materials, filtering materials for refining and other filters

KOREA FERROUS METALS EXPORT AND IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: KUMSOK PYONGYANG

Telex: 354, 355 KP

Goods Handled: Pig iron, ferroalloy, ordinary steel, hot and cold rolled products, secondary iron and steel products, metal processed goods, etc.

KOREA NONFERROUS METALS EXPORT AND IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: YUSAEK PYONGYANG

Telex: 352 KP

Goods Handled: Nonferrous metals, rare metals, precious metal ingots, rolled products, powder, their secondary nonferrous processed products, etc.

KOREA CHEMICALS EXPORT AND IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: HWAHAK PYONGYANG

Telex: 358 KP

Goods Handled: Petroleum and its products, raw materials for chemical fertilizer, reagents, cinematographic and photographic materials, rubber and its products, pulp and paper, medical supplies and perfumes

KOREA BUILDING MATERIALS EXPORT AND IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: KONJAE PYONGYANG

Telex: 467 KP

Goods Handled: Pulpwood and lumber, synthetic building materials, cement, sheet glass and other building materials

KOREA LIGHT INDUSTRY GOODS EXPORT AND IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: KYONGGONGB PYONGYANG

Telex: 353 KP

Goods Handled: Textiles, cotton, ready-made clothes, towels, blankets, embroideries, synthetic materials and their products, cotton carding, wool, linen and its products, silk thread, glass products, ceramics, footwear, leather, brushes, woven goods,

art objects, stuffed objects, cultural items, hardware goods, home electric appliances, school supplies, sporting goods, musical instruments, gold and silver products, jewelry, industrial and art objects, toys, cosmetics, and others

KOREA DAESONG TRADING CORPORATION

Address: Botonggang District, Pyongyang, DPRK

Cable Address: DAESONG PYONGYANG

Telex: 473 KP

Business: Conducts one-way, barter, three-way trade; trades machinery and equipment, metallic and non-metallic mineral ores, iron and steel and nonferrous metal products, gold and silver, synthetic products, textiles, daily necessities, ginseng and ginseng products, marine products and processed marine products, foodstuffs, farm produce

KOREA PYONGYANG TRADING CO., LTD.

Address: Central District, Pyongyang, DPRK

Cable Address: PYONGYANG

P.O. Box: 350 Pyongyang

Goods Handled: Metallic and non-metallic minerals, pig iron and steel materials, nonferrous metal ingots and their processed goods, magnesia clinker, calcined magnesia, silk thread and its by-products, marine products and processed marine products; one-way and barter trade conducted

KOREA FOODSTUFFS EXPORT AND IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: SINKNYO PYONGYANG

Telex: 359 KP

Goods Handled: Cereals, grain products, oil-bearing crops, seeds, alcoholic beverages, edible oil condiments, meat and processed meat, canned goods, confectionary, fruits and processed fruits, cigarettes, Koryo ginseng products, herbal medicine and products, hop, blankets, leather shoes, livestock by-products, animals, mineral water, purified water and other farm produce

KOREA PONGHWA TRADING CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: PONGHWA PYONGYANG

Telex: 462 KP

Goods Handled: Machines, metal products, minerals, chemical products, light industrial goods such as clothes, foodstuffs; conducts processing trade, reimports and reexports goods, conducts transit and intermediary trades

KOREA MARINE PRODUCTS EXPORT AND IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: SUSAN PYONGYANG

Telex: 463 KP

Goods Handled: Canned marine products, frozen goods, building materials, salted food, smoked food, fishing equipment and supplies

KOREA MAIBONG TRADING CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: MAIBONG PYONGYANG

Goods Handled: Nonferrous metal ingots, gold and silver products, jewelry products, pig iron and steel materials, non-metallic minerals, farm produce, marine products and processed marine products

KOREA MANGYONG TRADING CORPORATION

Address: Pyongyang, DPRK

Cable Address: MANGYONG PYONGYANG

Telex: 236 KP

KOREA VEGETABLES EXPORT CORPORATION

Address: Oesong District, Pyongyang, DPRK

Cable Address: NAMSAE PYONGYANG

Goods Handled: Vegetables and processed vegetables, fruits and processed fruits

KOREA HYOPDONG TRADING CORPORATION

Address: Oesong District, Pyongyang, DPRK

Cable Address: HYOPDONG PYONGYANG

Goods Handled: Textiles, glass and ceramics, chemical products, daily necessities, building materials, machines and tools, implements, food, alcoholic beverages, industrial art objects, etc.

KOREA PUBLICATIONS EXPORT AND IMPORT CORPORATION

Address: Oesong District, Pyongyang, DPRK

Cable Address: CHULPANMUL PYONGYANG

Goods Handled: Books, periodicals, records, etc.

KOREA STAMP CORPORATION

Address: Oesong District, Pyongyang, DPRK

Cable Address: UPYO PYONGYANG

Goods Handled: Stamps, postcards, envelopes

KOREA MORAN TRADING CORPORATION

Address: Pyongyang, DPRK

Cable Address: ZMS-007 PYONGYANG

Goods Handled: Machines, equipment

KOREA KWANGMYONG EXPORT-IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: KWANGMYONG PYONGYANG

Telex: 354, 355 KP

Exports: Daily necessities, office supplies, industrial art supplies, handicrafts, marine products (salted, frozen and dried), mountain vegetables (mushrooms, bracken), various nuts (walnuts, Japanese white pine nuts, hemp seeds, fructus schizendrae), honey, hardware

Imports: Raw materials, equipment, daily necessities

KOREA INDUSTRY AND TECHNOLOGY CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: KONGEBKISUL PYONGYANG

Business: Transacts integrated equipment

KOREA FILM EXPORT AND IMPORT CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: KORFILM PYONGYANG

Goods Handled: Plays, documentary movies, cartoons, scientific films

KOREA RUNGRADO TRADING CORPORATION

Address: Tongdaewon District, Pyongyang, DPRK

Cable Address: RUNGRADO PYONGYANG

Goods Handled: Vegetables and processed vegetables, fruits and processed vegetables, marine products and their products, livestock agricultural products, daily necessities, machines; conducts one-way trade, barter trade and three-way trade

KOREA YAKSAN TRADING CORPORATION

Cable Address: YAKSAN PYONGYANG

Exports: Silkworm cocoons, raw silk thread, silk thread by-products, silk fabrics, silk clothes, towels, various clothing

Imports: Textile plants and equipment and raw materials (Handles products which had been previously handled by the Korea Light Industry Export and Import Corporation, such as silkworm cocoons, raw silk by-products of silk thread)

KOREA MANPUNG TRADING CORPORATION

Cable Address: MANPUNG PYONGYANG

Exports: Goods produced by the sectors of chemical, agricultural and marine products industries

Imports: Materials, equipment and raw materials for sectors of chemical industry, agricultural and marine products industries

KOREA SONGHOA TRADING CORPORATION

Cable Address: SONGHOA PYONGYANG

Exports: Various fruits and their products, liquors, tobacco, ceramics, glassware, leather goods, resin and daily necessities made from steel

Imports: Food, equipment for production of daily necessities, machinery and its raw materials (Goods such as tobacco leaves, corn-starch, which had been handled by the Korea Food Export-Import Corporation are now handled by the Korea Songhoa Trading Corporation)

KOREA SENBONG TRADING CORPORATION

Cable Address: SENBONG PYONGYANG

Exports: Goods manufactured by the metallic industry and machine industry sectors

Imports: Raw materials and equipment necessary for metal industry and machine industry sectors

KOREA HAISANG TRADING CORPORATION

Cable Address: HAISANG PYONGYANG

Exports: Processed salmon trout, squid, cod roe and clams, etc.

Imports: Fishing implements and equipment for marine products industry

KOREA MISUL TRADING CORPORATION

Cable Address: MISUL PYONGYANG

Goods Handled: Handicrafts, industrial arts objects, decorative ceramics, architectural and ornamental designs, souvenir badges; also gives instruction and exhibits Korean arts

Banks:

FOREIGN TRADE BANK OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

Address: Central District, Pyongyang, DPRK

Cable Address: MOOYOKBANK PYONGYANG

Telex: 460 KP

Business: General foreign exchange of currencies

KUMGANG BANK

Address: Central District, Pyongyang, DPRK

Cable Address: KUMGNGBK PYONGYANG

Telex: 354 KP

Business: Settlement of foreign accounts

Insurance Companies:

KOREA FOREIGN INSURANCE COMPANY

Address: Central District, Pyongyang, DPRK

Cable Address: CHOSONBOHOM PYONGYANG

Business: Provides insurance for sea-borne vessels and freighters, and reinsurance with foreign insurance companies--Nampo, Hungnam, Chongjin, Najin, etc.

Commodity Inspection Organ:

KOREA COMMODITY INSPECTION BUREAU

Address: Central District, Pyongyang, DPRK

Cable Address: KOCOMINS PYONGYANG

Transportation Organs:

KOREA FOREIGN TRANSPORTATION CORPORATION

Address: Central District, Pyongyang, DPRK

Cable Address: OONSOO PYONGYANG

OONSOO NAMPO (Nampo Branch Office)

OONSOO HEUNGNAM (Hungnam Branch Office)

OONSOO CHUNGJIN (Chongjin Branch Office)

OONSOO HAIJOO-HWANHAI (Haeju Branch Office)

Telex: 357 KP

Business: Arranges transportation of export and import cargoes, books chartered ships for overseas shipping, commissions cargo transport service from ship owners and shippers, organizes transport of cargoes

KOREA OCEAN SHIPPING AGENCY

Address: Central District, Pyongyang, DPRK

Cable Address: KOSA PYONGYANG

KNSA NAMPO (Nampo Branch Office)

KHSA HEUNGNAM (Hungnam Branch Office)

KOSA CHUNGJIN (Chongjin Branch Office)

KZSA HAIJOO-HWANHAI (Haeju Branch Office)

KSSA SONGRIM (Songnim Branch Office)

Telex: 470 KP

Business: Agency for foreign vessels

KOREA-POLISH MARITIME BROKERS COMPANY, LTD.

Address: Moranbong District, Pyongyang, DPRK

Cable Address: CHOPOLISHIP PYONGYANG

Business: Provides sea transport between DPRK ports and foreign ports; charters vessels and books cargo transport routes for non-regular service lines

KOREA TONGHAE SHIPPING COMPANY

Address: Oesong District, Pyongyang, DPRK

Cable Address: HAEWUN PYONGYANG

Business: Transports cargoes and serves as agency for foreign ships

Travel Agencies and Other Agencies:

KOREA INTERNATIONAL TRAVEL COMPANY

Address: Central District, Pyongyang, DPRK

Cable Address: RYOHAEANGSA PYONGYANG

Business: Provides contracts for exchange of tourism with foreign travel agencies; provide service for foreign tourists

KOREA INTERNATIONAL EXHIBITION CORPORATION

Address: Sosong District, Pyongyang, DPRK

Cable Address: ZENRAM PYONGYANG

Business: Exhibits foreign and domestic goods, organizes international
trade fairs and exhibits

(From NICCHO BOEKI [JAPAN-KOREA TRADE] No 176)

CSO: 4105

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